

**APPRAISAL REPORT  
PREPARED FOR THE COUNTY OF KAUAI  
DEPARTMENT OF FINANCE  
REAL PROPERTY ASSESSMENT DIVISION  
COVERING THE PROPOSED TOTAL ACQUISITION OF  
FOURTH DIVISION TAX MAP KEY  
5-5-01, PARCEL 11  
LOCATED AT 4896 WEKE ROAD IN  
HANALEI, ISLAND OF KAUAI, HAWAII**

**OWNED BY  
JOHN CHARLES HODGE**

**PREPARED BY  
ALAN J. CONBOY, MAI, SRA,  
DON H. KONNO AND LIZA F. HAMADA  
HASTINGS, CONBOY, BRAIG & ASSOCIATES, LTD.  
PACIFIC GUARDIAN CENTER  
737 BISHOP STREET  
MAUKA TOWER, SUITE 1420  
HONOLULU, HAWAII 96813**

**EFFECTIVE DATE OF APPRAISAL  
MAY 20, 2009**

Robert C. Hastings, Jr., MAI, CRE  
Alan J. Conboy, MAI, SRA  
Robert R. Braig, MAI, SRA  
Ricky P. Minn  
Don H. Konno, MAI  
Liza F. Hamada  
Andrew B. Conboy

# HASTINGS, CONBOY, BRAIG & ASSOCIATES, LTD.

Real Estate Appraisers, Counselors and Economists

June 3, 2009

Mr. Steven A. Hunt  
Real Property Review Officer  
**County of Kauai**  
**Department of Finance**  
Real Property Assessment Division  
4444 Rice Street, Suite A-454  
Lihue, Hawaii, 96766

Dear Mr. Hunt:

We have conducted, in the accompanying report, a complete appraisal of the market value of the fee simple interest in the proposed total acquisition interest in the property identified on Hawaii State Tax Maps as Fourth Division Tax Map Key 5-5-01, Parcel 11 located at 4896 Weke Road in Hanalei, Island of Kauai, State of Hawaii containing a gross land area of approximately 32,162 square feet.

This document represents a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a Summary Appraisal Report. Under these reporting requirements, a Summary Appraisal Report, by its very nature, presents only summary discussions of the data, reasoning and analyses utilized in the appraisal process to develop the appraisers' opinion of estimated value. Some supporting documentation concerning the data, reasoning and analyses has been retained in the appraisers' file. The depth of discussion contained in this Summary Appraisal Report is specific to the needs of the client and for the intended use of the report. The appraisers are not responsible for any unauthorized use of this report.

The intended use of this appraisal is to assist the client, the County of Kauai, the Legacy Land Commission and the Land and Water Conservation Fund, if required, in the determination of the market value of the fee simple interest in the subject property for acquisition and funding purposes. The property is proposed to be utilized for the expansion of the adjoining County of Kauai Black Pot Park.

Mr. Steven A. Hunt  
June 3, 2009  
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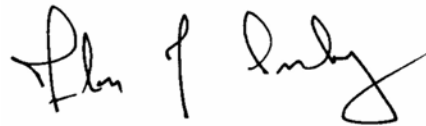
The results of our complete appraisal are set forth within the attached summary narrative appraisal report. Based on our thorough research and analyses and subject to the limiting conditions and assumptions stated herein, it is our opinion that the market value of the fee simple interest in the subject property appraised as of May 20, 2009, was:

**THREE MILLION EIGHT HUNDRED SEVENTY THOUSAND DOLLARS**  
**(\$3,870,000)**

We appreciate the opportunity to have undertaken this appraisal assignment.

Sincerely,

**HASTINGS, CONBOY, BRAIG  
& ASSOCIATES, LTD.**

A handwritten signature in black ink, appearing to read "Alan J. Conboy", with a stylized flourish at the end.

Alan J. Conboy, MAI, SRA  
Executive Vice President

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**CERTIFICATION**

The undersigned hereby certify that, to the best of their knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are the personal, unbiased professional analyses, opinions, and conclusions of the appraisers.
- The appraisers have no present or prospective interest in the properties appraised and have no personal interest or bias with respect to the parties involved.
- The compensation received by the appraisers for the appraisal is not contingent upon the analyses, opinions or conclusions reached or reported.
- The appraisal was made and the appraisal report was prepared, in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions, 2000 (UASFLA) of the Interagency Land Acquisition Conference and the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Standards Board.
- Alan J. Conboy and Liza F. Hamada have made a personal inspection of the subject property as part of this assignment on May 20, 2009. Don H. Konno has not made a personal inspection of the subject property. Mr. John Hodge, the property owner, Mr. Bill Gillette, Principal Broker for Kauai Tropical Properties, Inc., the owner's local representative, and Mr. Steven A. Hunt, Real Property Review Officer of the County of Kauai, the client, were contacted and given the opportunity to accompany the appraisers on their inspection on May 20, 2009. Mr. Bill Gillette, Mr. Steven A. Hunt and Mr. Dave Caylor of the Kauai Parks Department did accompany the appraisers on their site inspection on May 20, 2009.
- No one provided significant professional assistance to the persons signing this report.
- As of the date of this report, Alan J. Conboy, MAI, SRA has completed the requirements of the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- It is our opinion that the market value of the proposed total acquisition interest in the property appraised, as of May 20, 2009, is summarized as follows:

**VALUE CONCLUSION**

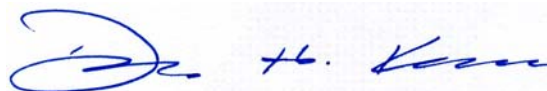
Fourth Division TMK 5-5-01-11

\$3,870,000



June 3, 2009

Alan J. Conboy, MAI, SRA  
State Certified General Appraiser CGA-185  
Certificate Expires: December 31, 2009



Don H. Konno  
State Certified General Appraiser CGA-344  
Certificate Expires: December 31, 2009



Liza F. Hamada  
State Certified General Appraiser CGA-734  
Certificate Expires: December 31, 2009

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**SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

The following information summarizes the major facts and conclusions of our appraisal of the subject property.

<b>Property Identification</b>	Fourth Division, Tax Map Key 5-5-01, Parcel 11.
<b>Property Location</b>	4896 Weke Road Hanalei, Island of Kauai, State of Hawaii.
<b>State Land Use Designation</b>	Urban District.
<b>County Zoning</b>	Open District.
<b>Fee Simple Owner</b>	John Charles Hodge.
<b>Property Description</b>	The subject property consists of a slightly irregular shaped vacant oceanfront parcel located along the west side and toward the end of Weke Road in Hanalei containing a gross land area of approximately 32,162 square feet. The topography is fairly level at road grade. The property contains approximately 100 feet of ocean frontage along a white sandy beach along it's western boundary. The property contains approximately 150 feet of frontage along Weke Road along it's eastern boundary. The site is landscaped and partially fenced. The State of Hawaii Hanalei Wharf and County of Kauai Black Pot Park extend from the subject property's northern boundary while adjoining single-family residential development extend from the subject property's southern boundary.
<b>Highest and Best Use</b>	Single-family residential use.
<b>Property Rights Appraised</b>	The market value of the fee simple interest in the subject property.
<b>Valuation Approach</b>	The sales comparison approach was used to determine the market land value.
<b>Effective Date of Appraisal</b>	May 20, 2009.

**Date of the Report**                      June 3, 2009.

**Market Value Conclusion**              **\$3,870,000**



**LIMITING CONDITIONS AND ASSUMPTIONS**

The conduct of any appraisal is necessarily guided by, and its results influenced by, the terms of the assignment and the assumptions, which form the basis of the study. The following conditions and assumptions embodied in this report, constitute the framework of our analysis and conclusions.

1. To the best of our knowledge and ability, we have conducted a complete appraisal of the identified subject property in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, 2000 (UASFLA) of the Interagency Land Acquisition Conference and the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Standards Board.
2. This appraisal is based upon the present condition of the national economy and the present purchasing power of the dollar.
3. This report expresses the opinion of the signers as of the date of the report; in no way has it been contingent upon the reporting of specified values or findings.
4. The appraisers have extensive experience in the valuation of unimproved development sites and vacant land parcels and consider themselves competent to analyze and estimate the value of the identified subject real property interest. Professional qualifications of the appraisers have been included in the Addenda as Exhibit VI.
5. Hawaii State tax maps, recorded documents and legal descriptions indicate a gross land area for the subject property of approximately 32,162 square feet. A provided Shoreline Certification Map dated May 3, 2006 and revised on June 6, 2006 as prepared by Dennis M. Esaki, Licensed Professional Land Surveyor, indicated a record gross land area of 32,162 square feet less an erosion area containing 6,017 square feet with a remaining net land area of 26,145 square feet. We have been informed that the net land area represents the buildable site area and that the erosion area is subject to seasonal fluctuation throughout the year. As such, and for comparability with the sales comparables utilized in the sales comparison approach to value, we have utilized the gross land area of approximately 32,162 square feet as contained on Hawaii State tax maps and in recorded documents and legal descriptions.
6. This report is not to be construed as rendering any opinion of title, which is assumed to be good and marketable. The appraisers have not been provided with any title report regarding the subject property. Recorded documents indicate various covenants, conditions and reservations affecting the subject property. A copy of the Legal Property Description as included in recorded documents has been included in

the Addenda as Exhibit II. A summary of the covenants, conditions and reservations encumbering the subject property as contained in recorded documents is as follows:

- a. Declaration dated November 30, 1995 filed as Land Court Document Number 2276471 as amended by instrument acknowledged June 4, 1996 and filed as Land Court Document Number 2323290: No permanent structure shall be constructed between the shoreline and a 60 feet setback from the certified shoreline. May be amended or repealed by written agreement of all property owners.
- b. Warranty Deed with Covenants running with the land dated June 7, 2002, filed as Land Court Document Number 2825736 as amended by instrument dated July 21, 2004, filed as Land Court Document Number 3143548: No permanent buildings shall be constructed on the shoreline side of the parcel that extend beyond 163 feet from the parcel's southeast corner without prior written consent from the owner of Lot 49 (The Wilcox Trust). In addition, no seawall or improvement which interferes with natural beach erosion shall be constructed without prior written consent from the owner of Lot 49.

The covenants, conditions and reservations of record, do not appear to significantly adversely impact the marketability or use of the subject property. In addition to the preceding, although not included in the Legal Property Description, the reservation in favor of the State of Hawaii of all mineral and metallic mines is typically applicable to all privately-owned property located within the State of Hawaii. Based on our research and investigation, we are not aware of any mineral deposits of commercial value located within the area of the subject property.

7. Alan J. Conboy and Liza F. Hamada have made a personal inspection of the subject property as part of this assignment on May 20, 2009. Don H. Konno has not made a personal inspection of the subject property. Mr. John Hodge, the property owner, Mr. Bill Gillette, Principal Broker for Kauai Tropical Properties, Inc., the owner's local representative, and Mr. Steven A. Hunt, Real Property Review Officer of the County of Kauai, the client, were contacted and given the opportunity to accompany the appraisers on their inspection on May 20, 2009. Mr. Bill Gillette, Mr. Steven A. Hunt and Mr. Dave Caylor of the Kauai Parks Department did accompany the appraisers on their site inspection on May 20, 2009.
8. Environmental site investigations of the subject property were not available to the appraisers. For purposes of this analysis, the subject property is assumed clean insofar as environmentally hazardous substances are concerned.

9. Available flood maps examined during the course of this assignment were prepared by the Federal Emergency Management Agency. Based on these maps and to the best of our ability as appraisers, a determination has been made as to whether or not, in our opinion, the subject property is located within an identified Special Flood Hazard Area. However, since the appraisers are not professional surveyors there is no guarantee, expressed or implied, as to the accuracy of this determination.
10. Any maps or plot plans reproduced and included in this report are intended only for the purpose of showing spatial relationships. These maps do not necessarily represent measured surveys or measured maps, and the appraisers are not responsible for the possible existence of any topographic or surveying errors within such maps. No engineering tests were furnished, and, therefore, no liability is assumed for the soil conditions, bearing capacity of the subsoil or building engineering matters relating to the subject property.
11. Information provided by informed local sources such as governmental agencies, financial institutions, realtors, buyers, sellers and others, was interpreted in the manner in which it was supplied and, whenever possible or practical, was checked and verified by secondary means. However, no responsibility is assumed for any possible misinformation contained in these sources of information.
12. The appraisers are not required to give testimony or appear in court because of having made this appraisal unless arrangements for the appearance and the fee for such appearance have been agreed upon by the person or corporation requiring such testimony.
13. The appraisers' prior written consent and approval must also be obtained in the event that the appraisal report should be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
14. The appraisers will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

## **SCOPE OF THE APPRAISAL**

Our assignment is to conduct a complete appraisal of the identified subject real property interests and to communicate the results of this complete appraisal in the format of a summary appraisal report. To the best of our knowledge and ability, this appraisal is prepared in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, 2000 (UASFLA) of the Interagency Land Acquisition Conference and the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Standards Board.

The scope of this assignment involves the determination of the market value of the fee simple interest in the proposed total acquisition interest in the subject property. Background data relating specifically to the subject property have been compiled through researching public records on file with the Hawaii Information Service and the County of Kauai's Real Property Tax Office and web site. We have also relied upon maps provided by the client or published by various government agencies relating to land use, zoning, elevations/topography, flood hazard zones, shoreline certification and tax map plat identification. The description of the subject property was based upon a physical inspection of the property conducted on May 20, 2009 and a review of available maps and tax office records.

In determining the highest and best use of the subject property, we analyzed the property with respect to the four criteria of legal permissibility, physical possibility, financial feasibility, and maximum profitability. We analyzed all of the background information on the property and its environs as revealed by our research and investigation. We also conducted an analysis of local real estate market conditions affecting the subject property, based upon interviews with local real estate professionals and information contained in published periodicals.

The market value of the fee simple interest in the underlying land was based on the sales comparison approach to value. The sales comparison approach is the most common technique for valuing land and is the preferred method when comparable land sales are available. It is generally considered to be the most reliable approach in land valuation and was considered the primary method to value the subject property. Sales of comparable oceanfront residential lands located on the Island of Kauai sharing similar potential use characteristics were researched and analyzed. Comparable land sales were researched using the County of Kauai Board of Realtor's Multiple Listing Service, Hawaii State Bureau of Conveyances, the Hawaii Information Service, as well as various publications and periodicals. Verification of the transactions was conducted through grantors, grantees or real estate brokers or agents directly involved with the sales. Details of selected verified sales are included in the Addenda of this report.

The cost approach to value is considered inappropriate due to the unimproved nature of the subject property. The income approach to value is considered inappropriate because future rental income generation is not a significant buyer motivation in the local marketplace for the type of real estate represented by the subject property. Therefore, the cost and income approaches to value are omitted from this appraisal.

With respect to the appraisal reporting process, this document represents a Summary Appraisal Report which is intended to provide only summary discussions of the data, reasoning and analyses utilized to develop our opinion of estimated value. Some supporting documentation has been retained in our files.

### **PURPOSE OF THE APPRAISAL**

The purpose of the appraisal is to estimate the market value of the fee simple interest in the proposed total acquisition interest in the subject property currently owned by John Charles Hodge. The effective date of value is May 20, 2009. The date of this appraisal report is June 3, 2009. The intended use of this appraisal is to assist the client, the County of Kauai, the Legacy Land Commission and the Land and Water Conservation Fund, if required, in the determination of the market value of the fee simple interest in the subject property for acquisition and funding purposes. The property is proposed to be utilized for the expansion of the adjoining County of Kauai Black Pot Park. A Contract Letter with the County of Kauai has been included in the Addenda as Exhibit VII.

As used in this report, market value is defined (1) as:

“Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonable knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.”

- (1) Interagency Land Acquisition Conference, **Uniform Appraisal Standards for Federal Land Acquisitions**, 2000.

### **JURISDICTIONAL EXCEPTION**

USPAP's Jurisdictional Exception Rule provides that “if any part of [the USPAP] standards is contrary to the law or public policy of any jurisdiction, only that part shall be void and of no force or effect in that jurisdiction.

Contrary to USPAP Standards Rule 1-2(c), the definition of market value defined under UASFLA and used in this report does not call for the estimate of value to be linked to a

specific exposure time estimate, but merely that the property be exposed on the open market for a reasonable length of time, given the character of the property and its market.

This is contrary to USPAP Standards Rule 1-2 and is considered a jurisdictional exception.

### **SUMMARY OF APPRAISAL PROBLEMS**

Primary emphasis for this assignment was placed on the collection of market data to support value conclusions for the subject property as unimproved. The sales comparison approach was considered to be the most reliable approach in land valuation and was considered the primary method to value the subject property. When considering the highest and best use of the subject property, the subject property's size, open zoning, ocean frontage and location in Hanalei within an immediate area of other high-end single-family residential development supports a single-family residential development as the highest and best use of the land as vacant. Sales involving other unimproved oceanfront residential lands located on the Island of Kauai with emphasis on the north shore area of the island were researched and analyzed. Our research revealed a relatively limited number of recent comparable oceanfront land transactions. For purposes of our analysis, we have selected three relatively recent oceanfront land transactions occurring within the Hanalei District of the Island of Kauai. The selected transactions were felt to best represent comparability to the subject property. However, based on our observations, significant differences still exists, between the various characteristics of the properties represented by the selected transactions and the subject property as reflected in the variations of the indicated unit values demonstrated by the transactions. Due to the relatively limited amount of market data occurring during the past few years and varying characteristics between those that have sold, quantitative adjustments supported by market evidence was not considered to be practical. Therefore, we have utilized qualitative adjustment factors in our sales comparison approach. The appraisers have attempted to address the adjustment process in a reasonable and rational fashion in our narrative description.

**PART II - FACTUAL DATA****LEGAL DESCRIPTION**

All of that certain parcel of land situate at Hanalei and Waioli, District of Hanalei, Island and County of Kauai, State of Hawaii, described as follows:

Lot 56, area 32,162 square feet, more or less, as shown on Map 10, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Number 1160 (amended) of Ethel Kulamanu Wilcox;

Being land(s) described in Transfer Certificate of Title Number 707,429 issued to Ross Leroy Hamilton, husband of Cindy Lee Hamilton, as Tenant in Severalty.

The subject property is identified on State of Hawaii tax maps as Fourth Division Tax Map Key 5-5-01, Parcel 11 containing a gross land area of 32,162 square feet. As indicated earlier, the appraisers have not been provided with title reports regarding the subject property. Recorded documents indicate various covenants, conditions and reservations affecting the subject property as summarized earlier. A copy of the Legal Property Description as included in recorded documents has been included in the Addenda as Exhibit II.

**AREA, CITY AND NEIGHBORHOOD DATA**

The subject property is located along Weke Road which extends from Aku Road which is located off the north side of Kuhio Highway within the Hanalei District of the Island of Kauai. The Hanalei District encompasses the northern coast of the Island of Kauai and is characterized primarily as a rural, agricultural area, with the noted exception of the Princeville Resort, a master-planned resort destination overlooking Hanalei Bay. Much of the land along either side of Kuhio Highway, the District's lone thoroughfare, is lush and green with a rolling terrain and numerous streams and gulches. The District is located on the wetter, windward side of the Island and large stretches of land are devoted to open pasture use and diversified agriculture.

The subject's immediate area is very picturesque and has attracted a significant amount of interest as a rural residential estate community, with numerous multi-million dollar sales of oceanfront real estate occurring within the past decade. Although the coastal areas are wind-blown and the shoreline tends to be predominantly rough and rocky, there are a few small white sand beaches found in semi-protected bay areas like that of the subject area.

High-density development within this particular area of Kauai's north shore continues to be discouraged as a means of preserving the natural beauty and openness of the region, and this also serves to contribute to the area's overall appeal as a residential estate community.

Many of the smaller, privately-owned properties remain in open or single-family residential use, while some of the larger agricultural properties are utilized as private residential retreats or registered and developed as quasi-subdivisions under the condominium property regimes (CPR) concept. This is particularly evident with respect to oceanfront properties and interior properties featuring significant view planes or natural dramatic features such as waterfalls.



**PROPERTY DATA****a. Site**

**General Description** -- The subject property consists of a slightly irregular shaped vacant oceanfront parcel located along the west side and toward the end of Weke Road in Hanalei containing a gross land area of approximately 32,162 square feet. The topography is fairly level at road grade. The property contains approximately 100 feet of ocean frontage along a white sandy beach along it's western boundary. The property contains approximately 150 feet of frontage along Weke Road along it's eastern boundary. The site is landscaped and partially fenced. The State of Hawaii Hanalei Wharf and County of Kauai Black Pot Park extend from the subject property's northern boundary while adjoining single-family residential development extend from the subject property's southern boundary.

As summarized earlier, Hawaii State tax maps, recorded documents and legal descriptions indicate a gross land area for the subject property of approximately 32,162 square feet. A provided Shoreline Certification Map dated May 3, 2006 and revised on June 6, 2006 as prepared by Dennis M. Esaki, Licensed Professional Land Surveyor, indicated a record gross land area of 32,162 square feet less an erosion area containing 6,017 square feet with a remaining net land area of 26,145 square feet. We have been informed that the net land area represents the buildable site area and that the erosion area is subject to seasonal fluctuation throughout the year. As such, and for comparability with the sales comparables utilized in the sales comparison approach to value, we have utilized the gross land area of approximately 32,162 square feet as contained on Hawaii State tax maps and in recorded documents and legal descriptions. A reduced copy of the provided Shoreline Certification Map has been included in the Addenda as part of Exhibit I.

The owner of the subject property has done some landscaping to clean up the property and has obtained a building permit and SMA approval for the construction of a two-story single-family residence containing four bedrooms and four and one-half baths within a total floor area of approximately 7,102 square feet at a value of \$1,063,600. The date the building permit was issued by the County of Kauai, Building Division, was March 14, 2008. We have been informed by the owner that construction of the improvements will need to commence within four to five months and be completed within a three-year time frame. The cost to clean up and landscape the property was estimated at approximately \$50,000 while the cost for plans, attorney fees and miscellaneous permit fees was estimated at roughly \$100,000 to \$150,000.

An Environs Map, Aerial Photograph, Property Location Map, Shoreline Certification Map, Flood Map, a Site Plan for the proposed improvements and

photographs of the subject property has been included in the Addenda of this report as Exhibit I.

**Proposed Total Acquisition Interest** -- The subject property is proposed to be acquired and utilized for the expansion of the adjoining County of Kauai Black Pot Park. Black Pot Park is an existing 2.47 acre beach park extending along the north side of the subject property at the end of Weke Road. The park borders a dramatic wide white sand shoreline which is situated at the mouth of the Hanalei River. The shoreline is part of the crescent shaped Hanalei Bay. Princeville Resort is located to the east on the cliffs above the bay. Activity at the park and adjacent Hanalei Wharf can be very heavy particularly on holidays and weekends.

**Access** -- The subject property is accessed by way of Weke Road which extends from Aku Road which is located off the north side of Kuhio Highway. Weke Road is an asphalt paved roadway extending the length of Hanalei Bay. Weke Road is the principal road servicing the beachfront properties along Hanalei Bay.

**Utilities** -- All public utilities including water, electricity, telephone and cable T.V. service are available to the subject property via existing transmission lines located within and along Weke Road. A six-inch water main extends within Weke Road. Electricity, telephone and cable T.V. service is supplied to the area via overhead transmission lines. Wastewater management in the area is handled by way of septic tanks. Gas service is available to the area by way of tank service.

**Easements and Reservations** -- As indicated earlier, the appraisers are not aware of the existence of any recorded easements or restrictions which significantly adversely affect the use or overall marketability of the subject property. Recorded documents indicate various covenants, conditions and reservations affecting the subject property. A summary of the covenants, conditions and reservations encumbering the subject property as contained in recorded documents is as follows:

- a. Declaration dated November 30, 1995 filed as Land Court Document Number 2276471 as amended by instrument acknowledged June 4, 1996 and filed as Land Court Document Number 2323290: No permanent structure shall be constructed between the shoreline and a 60 feet setback from the certified shoreline. May be amended or repealed by written agreement of all property owners.
- b. Warranty Deed with Covenants running with the land dated June 7, 2002, filed as Land Court Document Number 2825736 as amended by instrument dated July 21, 2004, filed as Land Court Document Number 3143548: No permanent buildings shall be constructed on the shoreline side of the parcel that extend beyond 163 feet from the parcel's southeast

corner without prior written consent from the owner of Lot 49 (The Wilcox Trust). In addition, no seawall or improvement which interferes with natural beach erosion shall be constructed without prior written consent from the owner of Lot 49.

In addition to the preceding, the reservation in favor of the State of Hawaii of all mineral and metallic mines is typically applicable to all privately-owned property located within the State of Hawaii. Based on our research and investigation, we are not aware of any mineral deposits of commercial value located within the area of the subject property.

**Detrimental and Hazardous Factors** -- The appraisers are not aware of any apparent detrimental and/or hazardous conditions associated with the subject property. Environmental site investigations of the subject property were not available to the appraisers. For purposes of this analysis, the subject property is assumed clean insofar as environmentally hazardous substances are concerned. The appraisers are not aware of any significant historical or archaeological features located on the site nor of any significant native plant areas on the site.

In terms of any detrimental or hazardous factors inherent in the location of the subject property, beneficial factors include the property's location along a beautiful white sand beach within an immediate area of other high-end single-family development. In contrast, detrimental factors, particularly in terms of any proposed residential development, is the subject's location adjacent to a popular beach park and boat launching area. Vehicular traffic and pedestrian activity can be very heavy particularly on weekends and holidays.

- b. **Use History** -- The subject property has been vacant and unoccupied during the past ten years. Ownership of the subject property has changed during the past ten years as summarized in the following section.
- c. **Sales History** -- Based on public records, the fee simple interest in the subject property is currently held by John Charles Hodge. John Hodge acquired title to the subject property from Ross Leroy Hamilton by way of a Deed dated June 29, 2005 and recorded on July 28, 2005 in Land Court Document Number 3304985 for a recorded sales price of \$4,000,000. This sale represented a cash transaction to the seller. Based on our conversations with the owner, this sale represented an arm's length market transaction. According to listing information, the property was on the market for 143 days at a list price of \$5,500,000 prior to the sale of the property.

The seller had previously acquired title to the property from the Hawaii Community Foundation by way of two Deeds recorded on July 27, 2004 in Land Court

Document Numbers 3143549 and 3143550 for a total recorded sales price of \$3,000,000. A purchase money mortgage was included as part of this transaction however, details of the mortgage is not know by the appraisers. This sale appears to represent an arm's length market transaction. According to listing information, the property was on the market for 445 days at a list price of \$3,650,000 prior to the sale of the property. Hawaii Community Foundation acquired title to the property from the Gaylord H. Wilcox Revocable Trust by way of a Deed recorded on July 25, 2002 in Land Court Document Number 2825736. There was no consideration recorded for this particular transaction. There has been no other sales involving the subject property during the past ten years.

The subject property has been listed for sale in the Multiple Listing Service by the current owner. The property was listed for sale at \$4,950,000 for a period of 735 days before an offer was made for the subject property by a developer in May 2007 at \$4,350,000. However, the pending sale fell through after the developer ran into financial difficulty. The listing was withdrawn then relisted for sale for \$4,695,000 for a period of 130 days before being withdrawn and relisted at the current list price of \$4,495,000. We have been informed by the buyer that they have received a few offers in the high \$3,000,000 range.

We have been informed by the client that a pending agreement has been entered into for the sale of the subject property to the Kauai Public Land Trust which in turn will deed the property to the County of Kauai for the expansion of the adjoining park. An offer was made by the current owner, John C. Hodge, to sell the property to the Kauai Public Land Trust for \$3,300,000 which is based on an appraisal of the property at \$4,000,000. In turn the owner is anticipating to recognize a \$700,000 tax credit for a charitable donation in value. A copy of the letter of intent to sell by John C. Hodge dated December 17, 2008 has been included in the Addenda as Exhibit III.

- d. **Rental History** -- There has been no known rental or lease history concerning the subject property during the past three years.
- e. **Assessment Values and Real Property Taxes** -- The 2009 assessed values for the subject property for ad valorem tax purposes is summarized as follows:

Land Assessed Value	\$4,662,200
Building Assessed Value	<u>0</u>
Total Assessed Value	\$4,662,200

Assessed values for the subject property remained unchanged between 2008 and 2009. Real property in the State of Hawaii is currently assessed at 100 percent of the tax assessor's opinion of value. The current July 1, 2008 to June 30, 2009 fiscal

year Kauai tax rate for residential properties (Pitt Code 100) is based on \$3.95 per thousand dollars of assessed value for land. The corresponding 2008/2009 estimated real property taxes for the subject property based on the 2008 assessed values is estimated at \$18,415.69.

- f. **State Land Use and City and County of Honolulu Zoning** -- There are four State Land Use district classifications: Urban, Agricultural, Rural and Conservation. The subject property is classified entirely within the State Land Use Urban District.

The SLU Urban District is the least restrictive of the four classifications in terms of permitted uses, allowing for a maximum variety of uses including practically all forms of urban, agricultural, recreational and conservation activities. Within the SLU Urban District, specific land use is typically regulated through zoning ordinances under the jurisdiction of the local County governments.

The subject property is further zoned by the County of Kauai as Open District. The purpose of the Open Districts is to preserve, maintain or improve the essential characteristics of land and water areas; to preserve, maintain or improve the essential functions of physical and ecological systems, forms or forces which significantly affect the general health, safety and welfare; to define and regulate use and development within areas which may be potentially hazardous; to include areas indicated on the County General Plan as open or as parks and; to provide for other areas which because of more detailed analysis, or because of changing settlement characteristics, are determined to be of significant value to the public. Generally permitted uses and structures within the Open District include accessory structures and uses, day-use areas, diversified agriculture, livestock and grazing, outdoor recreation, parks and monuments, private recreation areas, resource management, single-family detached dwellings and undeveloped campgrounds.

- g. **Flood Hazard District** -- Flood Hazard Districts are delineated on Flood Boundary and Floodway Maps and the Federal Insurance Rate Maps prepared by the Federal Insurance Administration and Federal Emergency Management Agency. Pursuant to these Flood Hazard Districts, lending institutions subject to Federal Deposit Insurance Corporation regulations require flood insurance in order to complete mortgage loan transactions involving properties located in a designated flood or tsunami zone. The subject property is located on the Flood Hazard Map Number 1500020055 E, effective date September 16, 2005, within an area designated Zone VE, coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations range from 12 to 13 feet. Structures built in this area must be designed to accommodate the base flood elevations.

- h. **Special Management Area** -- The subject property is also located within the County of Kauai's Special Management Area (SMA). The Special Management Area Rules and Regulations of the County of Kauai was established for the purpose of preserving, protecting and, wherever possible, restoring the natural resources of the County's coastal zone. All development in the special management area shall be subject to reasonable terms and conditions set by the Authority. Objectives include:
1. Provide coastal recreational opportunities accessible to the public.
  2. Protect, preserve, and where desirable, restore those natural and man-made historic and pre-historic resources in the coastal zone management area that are significant in Hawaiian and American history and culture.
  3. Protect, preserve, and where desirable, restore or improve the quality of coastal scenic and open space resources.
  4. Protect valuable coastal ecosystems from disruption and minimize adverse impacts on all coastal ecosystems.
  5. Provide public or private facilities and improvements important to the State's economy in suitable locations.
  6. Reduce hazard to life and property from tsunamis, storm waves, stream flooding, erosion and subsidence.
  7. Improve the development review process, communication, and public participation in the management of coastal resources and hazards.
- i. **Shoreline Setback Ordinance** -- Ordinance Number 863 was adopted on January 25, 2008 to establish building setbacks from the shoreline based on scientifically documented rates of shoreline change and the history of coastal hazards in specific locations on Kauai. The ordinance is an interim measure until the data base is formally established and new setback rules and an ordinance are adopted. Until that time, landowners will be allowed to site improvements by developing their own data through scientifically accepted methodologies specified within the ordinance.

## **PART III - DATA ANALYSIS AND CONCLUSIONS**

### **ANALYSIS OF HIGHEST AND BEST USE**

The highest and best use of the subject property is that use which is physically possible, legally permissible, financially feasible and results in the highest value, i.e., is maximally productive. It is a typical local market practice in Hawaii to value parcels individually by tax map key parcel numbers. As indicated earlier within this report, the entire subject property is currently owned by John Charles Hodge. Adjoining lands are owned by other entities. The subject property is considered to be the larger parcel by way of unity of ownership. As such, for purposes of this analysis, the larger parcel is considered to be the unencumbered fee simple interest in the subject Parcel 11 containing a gross land area of approximately 32,162 square foot which is currently owned by John Charles Hodge and of which a total acquisition is proposed by the County of Kauai for park expansion purposes.

In our opinion, the highest and best use of the subject property is a single-family residential use. The following discussion presents our highest and best use analysis of the subject property.

#### **1. Physical Possibility**

The physical characteristics of a site represents the first of the four criteria which must be met in determining the highest and best use. The subject property is an unimproved, slightly irregular shaped oceanfront property located along Weke Road. Direct access to the property is available from Weke Road. The subject property contains a fairly level topography. The coastline is comprised of a white sandy beach. The immediate area surrounding the subject property consists of single-family development adjoining the subject property to the south, a wharf and county park to the north of the property and generally open lands to the east of the subject property across from Weke Road. All public utilities are available to the subject property including water, electricity, telephone and cable T.V. service. Access to and exposure of the site is considered good. Considering these factors, several uses would be possible for the property including a single-family residential use.

#### **2. Legal Permissibility**

As mentioned in the Property Data section of this report, the subject property is zoned by the County of Kauai as Open District. The purpose of the Open Districts is to preserve, maintain or improve the essential characteristics of land and water areas; to preserve, maintain or improve the essential functions of physical and ecological systems, forms or forces which significantly affect the general health, safety and welfare; to define and regulate use and development

within areas which may be potentially hazardous; to include areas indicated on the County General Plan as open or as parks and; to provide for other areas which because of more detailed analysis, or because of changing settlement characteristics, are determined to be of significant value to the public. Generally permitted uses and structures within the Open District include accessory structures and uses, day-use areas, diversified agriculture, livestock and grazing, outdoor recreation, parks and monuments, private recreation areas, resource management, single-family detached dwellings and undeveloped campgrounds. These restrictions serve to limit the uses of the land through legal limitations.

### **3. Financial Feasibility**

The subject property is located in Hanalei within close proximity to the Princeville Resort and the support commercial centers of the area. Vacant oceanfront parcels within the immediate area have remained relatively desirable with continued development occurring during the past several years, albeit at a slower pace, in spite of a downturn in the general residential real estate market. This is due to some extent to the relative scarcity of oceanfront properties and also due to the fact that owners of higher end properties like the subject, typically have the financial wherewithal to weather economic downturns. Such owners tend to hold onto their properties during economically challenging periods.

The financial feasibility for oceanfront residential uses is usually not as much of an issue as such acquisitions are usually not driven by economic considerations. Such purchases usually reflect emotional decisions rooted in the amenity benefits offered to the purchaser. In addition, historically, during periods of rebound following down cycles, considerable investment in such properties is evident as demand from the second home and retiree market, particularly from the mainland and foreign markets, increases. Considering the location of the subject property, its ocean frontage and the apparent continued demand for prime oceanfront properties in the Hanalei area, a single-family residential use of the subject property would normally be considered financially feasible.

### **4. Maximum Productivity**

In estimating the use which would be maximally productive to the land as vacant, we have considered the physically possible, legally permissible and financially feasible uses. Given the demand for oceanfront properties where purchases are not always driven by economic considerations, and the very limited supply of such prime oceanfront properties, a single-family residential use would tend to be supported as the highest and best use of the land as vacant. This form of development would normally offer the highest economic return on the land and was therefore considered maximally productive.



## **LAND VALUATION**

There are six generally accepted methods of land valuation: (1) sales comparison approach; (2) allocation; (3) extraction; (4) capitalization of ground rent; (5) land residual technique; and (6) development procedure. The market value of the fee simple interest in the underlying land was based on the sales comparison approach to value. The sales comparison approach is the most common technique for valuing land and is the preferred method when comparable land sales are available. It is generally considered to be the most reliable approach in land valuation and was considered the primary method to value the subject property. Based on the principle of substitution, this method estimates the value of the land according to prices generally obtained for properties with similar highest and best use and locational characteristics and zoning classifications in the surrounding or neighboring areas.

Our market value analysis of the unencumbered fee simple interest in the subject property is presented within Table 1. In estimating the value of the unencumbered fee simple interest in land, the subject property was valued as though vacant and available for development in conformance with its highest, best and most productive use.

Of the transactions disclosed by our investigation, three transactions were selected for critical analysis to establish a value index for the subject property. A Comparable Land Transactions Location Map, aerial and ground level photographs and tax maps of each comparable property have been included in the Addenda as Exhibit IV. Detail information on each of the comparable land transactions has been included in the Addenda as Exhibit V.

Transaction Number 1 represents the February 2008 sale of a 17,451 square foot unimproved roughly rectangular shaped oceanfront flag lot accessed from Alealea Road situated northwest of the subject property within the Wainiha Subdivision in the Hanalei District. The site contains a generally level topography with approximately 75 feet of ocean frontage along a quiet stretch of white sand beach. The property has access to public utilities. The cash equivalent sales price of \$1,850,000 equates to an unadjusted fee simple average unit land value indication of \$106.01 per square foot. The intent of the buyer was not disclosed.

Transaction Number 2 represents the June 2007 sale of a 20,028 square foot unimproved roughly rectangular shaped oceanfront flag lot also accessed from Alealea Road and situated within the Wainiha Subdivision. The site contains a generally level topography with approximately 102 feet of ocean frontage along a quiet stretch of white sand beach. The property has access to public utilities. The cash equivalent sales price of \$1,900,000 equates to an unadjusted fee simple average unit land value indication of \$94.87 per square foot. The intent of the buyer is to build a residence on the site.

Table 1

**COMPARABLE LAND TRANSACTIONS ADJUSTMENT SCHEDULE**  
**Fourth Division Tax Map Key 5-5-01, Parcel 11**  
Hanalei, Kauai, Hawaii

<b>Transaction Number</b>	<b>1</b>	<b>2</b>	<b>3</b>
Fourth Division, Tax Map Key	5-8-09-49	5-8-09-51	5-5-01-25
Location	Wainiha	Wainiha	Hanalei
Street Frontage	Alealea Road	Alealea Road	Weke Road
Land Area - Acres	0.401	0.460	0.624
Square Feet	17,451	20,028	27,171
County Zoning	R-4, Residential	R-4, Residential	Open
Transaction Date	22-Feb-08	08-Jun-07	23-Feb-07
Instrument/Financing	Deed/Cash	Deed/Cash	Deed/Cash
Indicated Cash Equivalent Fee Simple Value	\$1,850,000	\$1,900,000	\$6,400,000
Value Per Square Foot	\$106.01	\$94.87	\$235.55
Market Conditions Adjustment	<u>0.88</u>	<u>0.81</u>	<u>0.79</u>
Market Conditions Adjusted Unit Value	\$93.29	\$76.84	\$186.08
Adjustments (%)			
Location	Inferior	Inferior	Superior
Street Frontage and Access	Inferior	Inferior	Similar
Ocean Frontage/Physical Characteristics	Similar	Similar	Similar
Entitlements	<u>Inferior</u>	<u>Inferior</u>	<u>Similar</u>
Net Adjustments (%)	Inferior	Inferior	Superior
Adjusted Unit Value Before Size	\$121.28	\$99.89	\$130.26
Size Adjustment	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
Size Adjusted Unit Value	\$121.28	\$99.89	\$130.26
Weighting Factor	<u>0.25</u>	<u>0.25</u>	<u>0.50</u>
Product	\$30.32	\$24.97	\$65.13

Range of Values	\$99.89 to \$130.26 per square foot
Mean Unit Value	\$117.14 per square foot
Weighted Unit Value	\$120.42 per square foot
Concluded Unit Value	\$120.40 per square foot
<b>Indicated Site Value</b>	\$120.40 per sq. ft. x 32,162 sq. ft. = \$3,872,305
<b>Rounded</b>	<b>\$3,870,000</b>

Transaction Number 3 represents the February 2007 sale of a 27,171 square foot unimproved roughly rectangular shaped oceanfront lot located just down the road from the subject property along Weke Road. The site contains a generally level topography with approximately 90 feet of ocean frontage along a white sand beach. The property has access to public utilities. The sale included a complete set of permitted house plans drawn by Newport Architects valued at roughly \$350,000. Deducting the value of the house plans resulted in an entitled land value of approximately \$6,400,000 including SMA and building permits. The adjusted cash sales price of \$6,400,000 equates to a fee simple average unit land value indication of \$235.55 per square foot. The buyer has constructed a residence on the property as per provided architectural plans at a cost of approximately \$3,000,000.

#### **Valuation of Fourth Division Tax Map Key 5-5-01, Parcel 11, Total Acquisition**

Our valuation analysis of the total acquisition is presented in Table 1. The indicated average unit land value indications associated with each of the selected comparables was adjusted relative to the subject property to compensate for any significant differences relating to terms of sale, market conditions (price appreciation or depreciation over time), location, street frontage and access, physical site characteristics and entitlements. A final adjustment for size differential was considered.

All transactions were verified to be market arm's length transactions of fee simple vacant oceanfront residential properties. As such, potential adjustments for property rights conveyed and conditions of sale were considered unnecessary or unwarranted. As summarized in the preceding paragraphs, Transaction Number 3 did include non-realty components and the sales price was adjusted accordingly. In addition, based on the financing terms, potential adjustments for special financing terms (terms of sale or cash equivalency) were also considered unwarranted.

**Market Conditions** -- Prevailing market conditions characterize the Kauai residential and vacant land market in general terms as being in a down cycle. Kauai's downturn in the residential real estate market started in 2006 when the market transitioned from a seller's market to a buyer's market. It was suspected that the market was a reflection of the residential market in California where sales were down and prices and interest rates remained high. Table 2 summarizes historical residential and vacant land sales statistics for the subject Hanalei District since 2005 as compiled by the Kauai multiple listing service. As shown in Table 2, the number of sales, total sales volume as well as median sales price have all trended downward since 2007. In particular, for purposes of this analysis, the reported median sales price for residential sales in the area has decreased by 12.32 percent in 2008 and 5.13 percent in 2009 based on the annualized year to date data. Similarly, the reported median sales price for vacant land sales in the area has decreased by 29.90 percent in 2007, 0.97 percent in 2008 and 28.67 percent in 2009 based on the annualized year to date data.

Table 2

# **HISTORICAL MLS RESIDENTIAL AND VACANT LAND SALES SATISTICS**

**Hanalei District**  
Island of Kauai, Hawaii

		Annual Total (1)			Percent Increase/Decrease		
		2005	2006	2007	2008	2009 (2)	2006 2007 2008 2009 (2)
<b><u>Residential</u></b>							
Number of Sales	161	112	100	67	42		-30.43% -10.71% -33.00% -37.31%
Sales Volume	\$204,841,000	\$160,255,699	\$169,179,925	\$99,894,104	\$88,995,000		-21.77% 5.57% -40.95% -10.91%
Median Sales Price	\$900,000	\$1,039,000	\$1,112,000	\$975,000	\$925,000		15.44% 7.03% -12.32% -5.13%
<b><u>Vacant Land</u></b>							
Number of Sales	106	41	38	31	9		-61.32% -7.32% -18.42% -70.97%
Sales Volume	\$144,232,700	\$67,113,000	\$51,134,000	\$37,896,000	\$5,580,000		-53.47% -23.81% -25.89% -85.28%
Median Sales Price	\$842,500	\$1,030,000	\$722,000	\$715,000	\$510,000		22.26% -29.90% -0.97% -28.67%

(1) Represents calendar year.

(2) Represents annualized four months January 1 to April 30 year-to-date data.

Source: Kauai Multiple Listing Service and Hastings, Conboy, Braig and Associates, Ltd., May 2009.

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As summarized in the Analysis of Highest and Best Use section of this report, vacant oceanfront parcels within the subject area have remained relatively desirable with continued development occurring during the past several years, albeit at a slower pace, in spite of a downturn in the general residential real estate market. This is due to some extent to the relative scarcity of oceanfront properties and also due to the fact that owners of higher end properties like the subject, typically have the financial wherewithal to weather economic downturns. Such owners tend to hold onto their properties during economically challenging periods. This is evidenced somewhat by the fact that Transaction Numbers 1 and 2 actually experienced sales price appreciation between their 2004 sale and 2007 resale dates. Transaction Number 3 experienced a decrease in sales price between 2004 and 2007. Many realtors have more recently indicated that the timing is right for buyers as interest rates are currently low and because there is a lot of inventory which makes for more reasonable pricing and more negotiation room. However, despite current low interest rates, loans have become more difficult to qualify for as banks have tightened their requirements including a higher level of proof of income and assets and a more favorable credit score. Again this has less of an affect on higher end properties as much of the sales activity for such properties involve cash transactions. Based on the comparable transaction dates which occurred between February of 2007 and February of 2008, and considering the overall downward trend in the number of sales, total sales volume as well as median sales price particularly since 2007, and also considering that vacant oceanfront parcels within the subject area have continued to remain relatively desirable, a more moderate market conditions (time) adjustment factor than what the historical sales statistics might indicate was selected. For purposes of this analysis, a ten percent annual compound rate of depreciation (ACRD) factor was considered to be reasonable and applied to each comparable transaction.

**Location Adjustment** -- The location adjustment compensates for differences such as neighborhood market appeal and development trends within the immediate and surrounding areas and the resulting degree to which the associated relationship between potential land users and their markets are either enhanced or diminished. In this case, Transactions Numbers 1 and 2 which represent properties accessed from Alealea Road situated northwest of the subject property within the Wainiha Subdivision, were considered to be inferior to the subject in terms of locational characteristics based on their more remote locations and overall accessibility factors as well as location in relation to support commercial and resort facilities and upscale development. This adjustment also took into consideration the subject's location adjacent to a public park. Transaction Number 3, which represents a property located just down the road from the subject property along Weke Road, was considered to be superior to the subject property in terms of location based on it's location away from the park. Based on our conversations with the broker involved with the sale of the property as well as the owner of the subject property who subsequently purchased the property represented in Transaction Number 3, Transaction Number 3 was considered to be a far superior property in terms of privacy concerns being situated away

from the public park. As a result, the owner was willing to pay the significantly higher price for the property.

**Street Frontage and Access Characteristics** -- Transaction Numbers 1 and 2 represent flag lots containing minimal street frontage with an adjoining residential lot fronting the roadway. As such, Transaction Numbers 1 and 2 were considered to be inferior to the subject in terms of street frontage and access characteristics. Transaction Number 3 represents a property which was considered to be similar to the subject property in terms of street frontage and access characteristics.

**Ocean Frontage/Physical Characteristics Adjustment (Other than Size)** -- This adjustment considers any differences in oceanfrontage and physical property characteristics factors such as lot shape, general topography or terrain and utility factors of the comparables in terms of general use potential as compared to the subject. All transactions represent oceanfront properties along similar white sandy beaches with generally level topographies and buildable areas like the subject property. All transactions were considered to be fairly similar to the subject property in terms of ocean frontage and physical characteristics.

**Entitlements Adjustments** -- This adjustment considered the lack of entitlements for Transaction Numbers 1 and 2 in comparison to the subject property which has a building permit and SMA approval for the construction of a two-story single-family residence containing four bedrooms and four and one-half baths. Transaction Numbers 1 and 2 were considered to be inferior to the subject property in terms of entitlements. Transaction Number 3 represents a property which included building permits and SMA approvals in addition to architectural plans. Deducting for the value of the architectural plans resulted in the value of the entitled property and as such, Transaction Number 3 was considered to be similar to the subject property in terms of entitlements.

**Parcel Size Adjustments** -- A size adjustment was considered next to compensate for the fact that larger parcels usually tend to reflect lower unit prices while smaller parcels usually reflect higher unit prices. However, we have determined that a size adjustment was not necessary in this situation due to the lack of significant correlation to this effect.

**Concluded Value of the Total Acquisition** -- After adjustments, the indicated average unit land values corresponding to the selected comparables ranged from \$99.89 to \$130.26 per square foot, with a mean unit land value indication of \$117.14 per square foot. Awarding weighting factors to the comparable transactions based on the comparability of each transaction to the subject with the most weight awarded to Transaction Number 3 resulted in a weighted unit value of \$120.42 per acre. Based on these indications, we have concluded at a fee simple unit land value of \$120.40 per square foot for the 32,162 square foot subject property. On the basis of the foregoing analysis, it is our opinion that the rounded market value of the unencumbered fee simple interest in the proposed total acquisition of the subject

property, as of May 20, 2009, was \$3,870,000 based on \$120.40 per square foot on 32,162 square feet as shown in Table 1.

As additional support for our value conclusion, we have analyzed the recent sale of an improved residential property located at 5486 Weke Road in close proximity to the subject property. The property contains a gross land area of 13,987 square feet, which is significantly smaller than the subject property, and is improved with a single-story double wall wood frame two-bedroom and one and one-half bath residence originally built in 1975 containing approximately 980 square feet according to tax office records. The sale closed on May 21, 2009, the day after the effective date of appraisal, for \$3,650,000. The property does not contain direct ocean frontage however, fronts along the Waioli Beach Park which in turn fronts a white sandy beach. There is roughly 150 feet of grassy field separating the property from the beach. According to Mr. Neal A. Norman of Koa Properties Land & Homes LLC, the listing agent, the sale included conventional financing. The residence was furnished with major appliances, contained natural stone floors, a spa tub, gazebo and fencing. The improvements were roughly estimated to be worth \$300,000 by the realtor. The buyer intends to keep the existing residence. Deducting \$300,000 from the sales price would result in an underlying land value of \$3,350,000. Although the property does not contain direct ocean frontage, the property is similar to the subject in respect to being located adjacent to a public park. However, in terms of privacy issues, this property was considered to be superior to the subject due to the fact that the property's only exposure to the park is the rear property line of approximately 75 feet. Access to the beach park appears on tax maps by way of roadways extending from Weke Road located away from the property. In terms of the subject, the property is bordered to the rear by the ocean frontage, to the north by Hanalei Wharf and Black Pot Park and the Weke Road frontage leads directly into the parking area for park use with overflow issues during busy weekend and holiday periods. Due to difficulty separating what the actual value of the existing improvements and the underlying land would be to the buyer, differences in comparability between the property and the subject in terms of the lack of direct ocean frontage of the property, the parcel size differences as well as the fact that the sale occurred after the effective date of appraisal, the appraisers have elected not to utilize this particular transaction as part of the analysis. However, the sale does provide a rough indication that land values for smaller near ocean front parcels adjacent to public parks in the area.

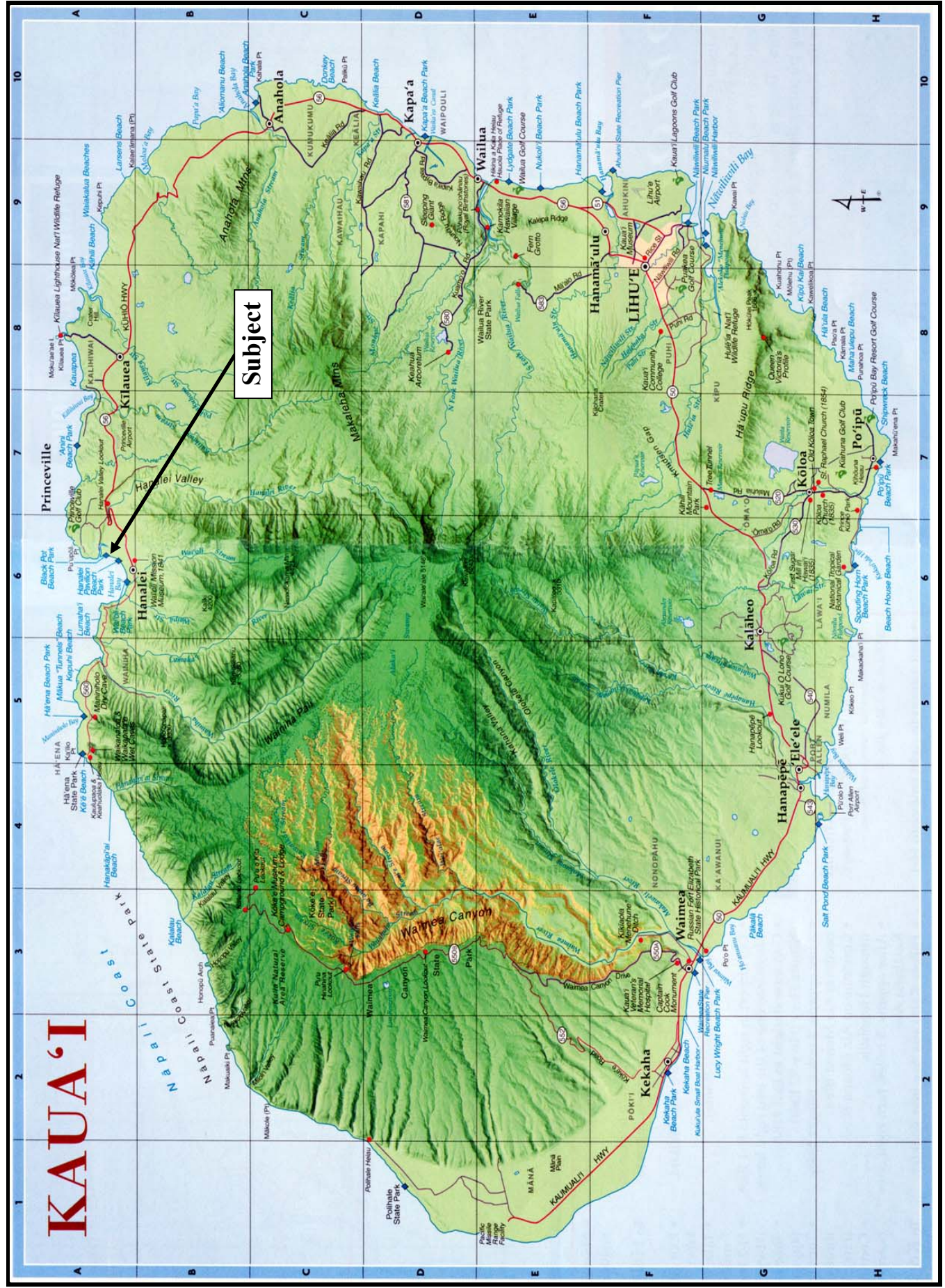
**EXHIBIT I**

**MAPS AND PHOTOGRAPHS**

**OF THE SUBJECT PROPERTY**

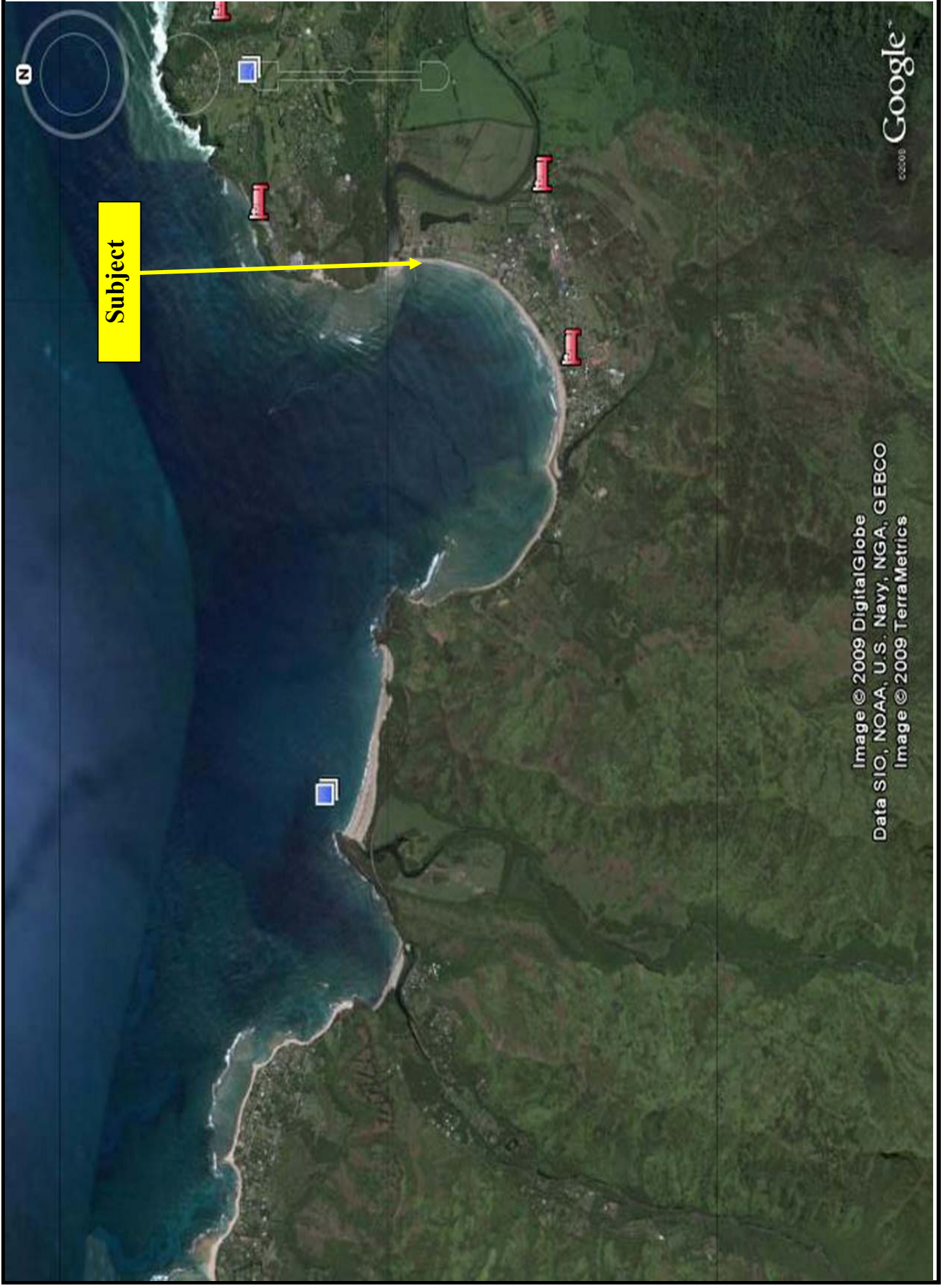


# KAUA'I





**AERIAL MAP**  
**Fourth Division, Tax Map Key 5-5-01, Parcel 11**  
**Hanalei, Kauai, Hawaii**

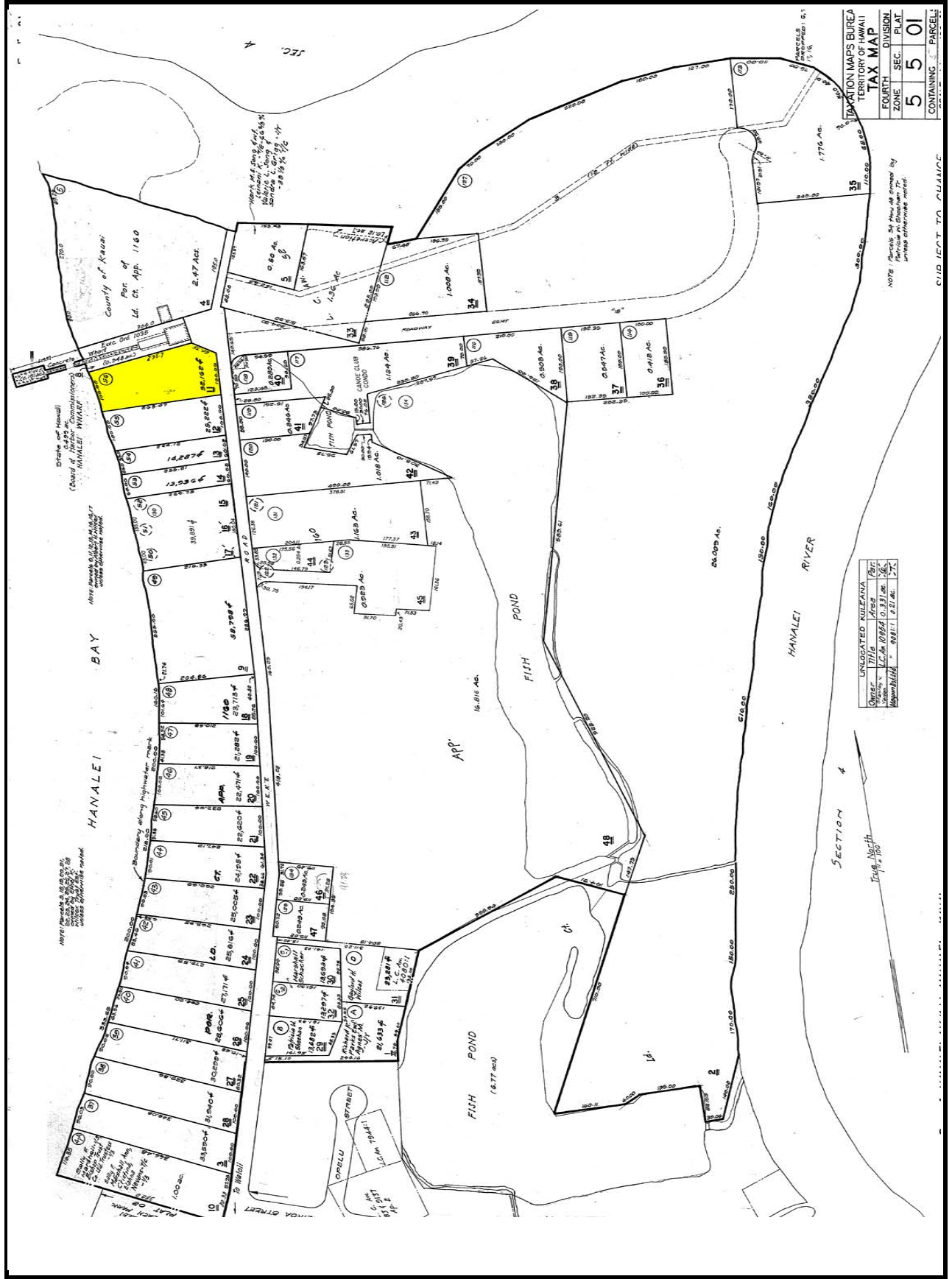








# PROPERTY LOCATION MAP Fourth Division, Tax Map Key 5-5-01, Parcel 11 Hanalei, Kauai, Hawaii



STATE OF HAWAII

LOT 56

RECORD 32,162 sq. ft.  
LESS EROSION 6,017 sq. ft.  
NET 26,145 sq. ft.

LOT 55

shoreline as certified March 29, 2000

BOUNDARY PER LD. CT. MAP

172°20' — 100.00

84.01

EXEC. ORD. 1035

ironwood trees

stump

dust screen

261°15' — 235.70

151.64

1/2" pipe

1 1/4" pipe

302°08' — 60.75

100.00 — 3°31'

MEKE ROAD

TRUE NORTH

Scale 1" = 20'

DENNIS M. ESAKI  
LICENSED PROFESSIONAL LAND SURVEYOR  
No. 4383  
HAWAII, U.S.A.

stump

coconut

coconut

coconut

spider lily

1/2" pipe

170°55' — 55.05

42°38'

157°24'

111°11'

99.57

1/2" pipe

1/2" pipe

223.50

90°04' — 263.07

100.00

172°20'

84.01

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coconut

spider lily

1/2" pipe

170°55' — 55.05

42°38'

157°24'

111°11'

99.57

1/2" pipe

1/2" pipe

223.50

90°04' — 263.07

100.00

172°20'

84.01

EXEC. ORD. 1035

ironwood trees

stump

dust screen

261°15' — 235.70

151.64

1/2" pipe

1 1/4" pipe

302°08' — 60.75

100.00 — 3°31'

MEKE ROAD

TRUE NORTH

Scale 1" = 20'

DENNIS M. ESAKI  
LICENSED PROFESSIONAL LAND SURVEYOR  
No. 4383  
HAWAII, U.S.A.

stump

coconut

coconut

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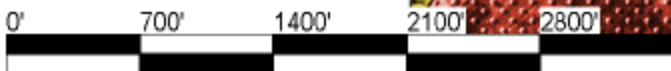
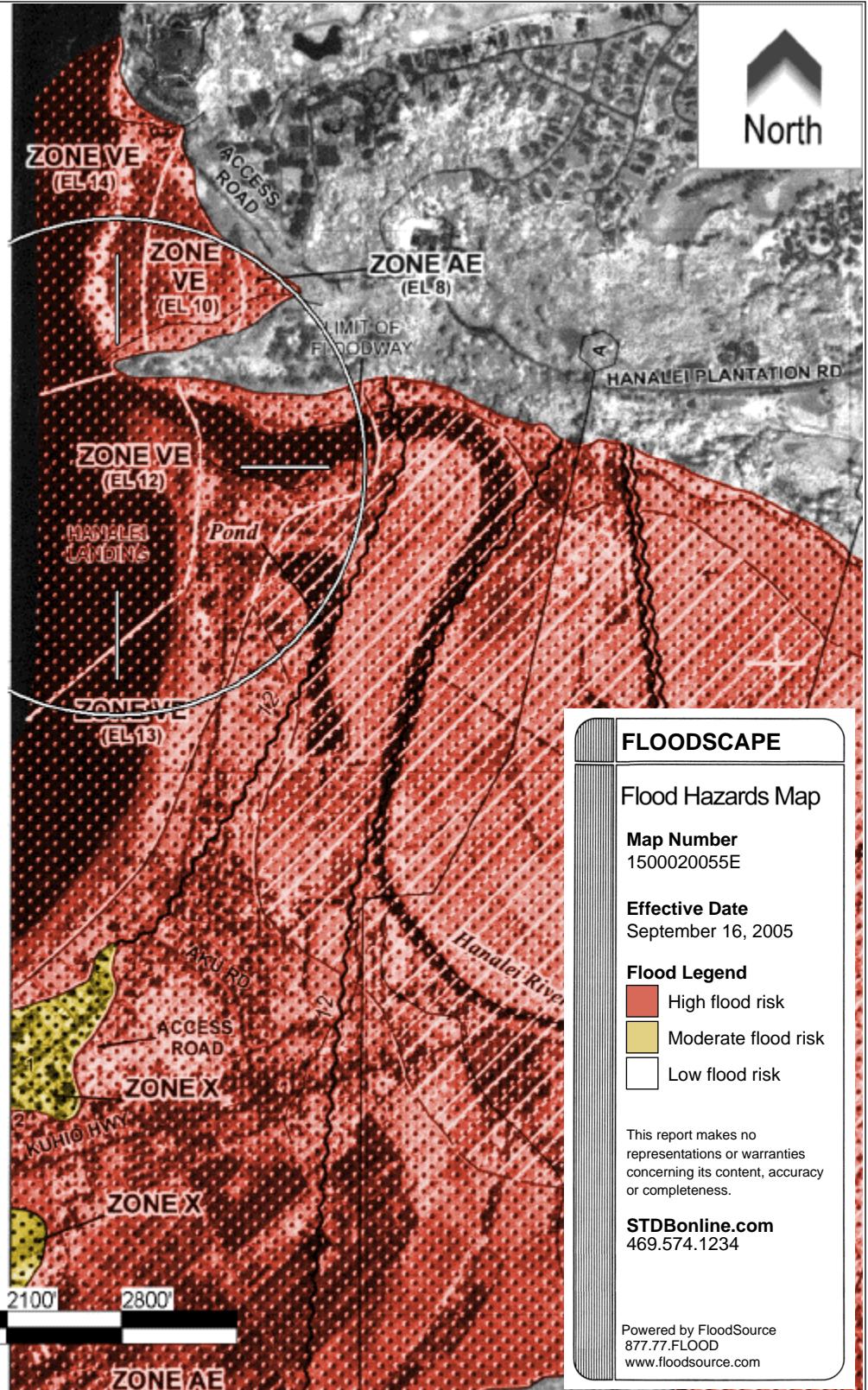




**STDBONLINE.com**  
FLOODSOURCE  
FLOODSCAPE™



**PROPERTY ADDRESS:**  
Hanalei, Hawaii, United States

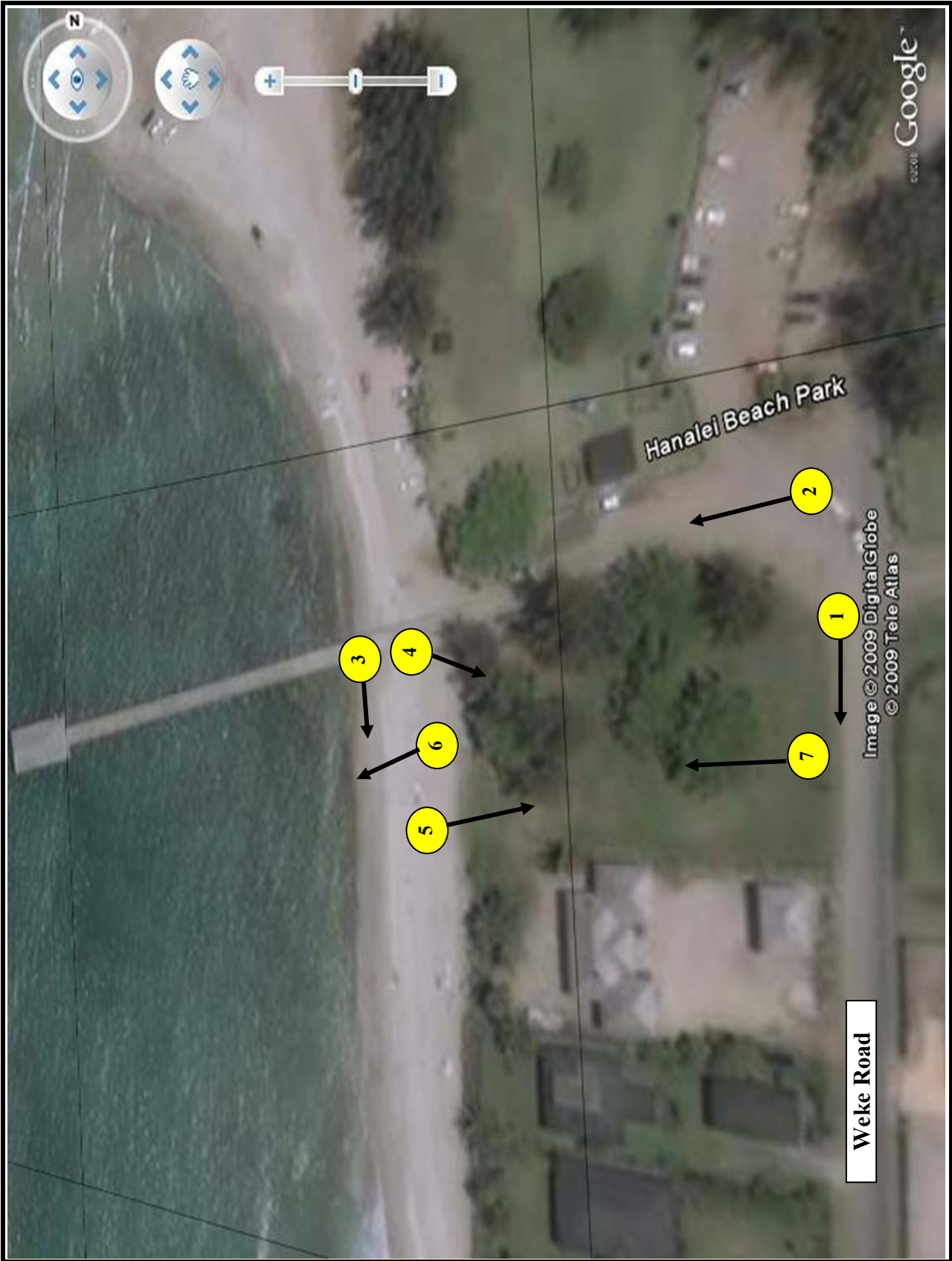


**Fourth Division, Tax Map Key 5-5-01, Parcel 11**  
**Hanalei, Kauai, Hawaii**





**SUBJECT PROPERTY PHOTOGRAPHS MAP**  
**Fourth Division, Tax Map Key 5-5-01, Parcel 11**  
**Hanalei, Kauai, Hawaii**





**SUBJECT PROPERTY PHOTOGRAPHS**  
(Taken by Alan J. Conboy, MAI, SRA on May 20, 2009)



View from Weke Road looking south. The subject is seen to the right.



View from Weke Road looking west. The subject is seen to the right.



View from the sandy beach area of Hanalei Bay looking south. The subject site is seen to the left.



**SUBJECT PROPERTY PHOTOGRAPHS**  
(Taken by Alan J. Conboy, MAI, SRA on May 20, 2009)



View from beach area of Hanalei Bay looking southeast towards the subject.



View from sandy beach area of Hanalei Bay along the western boundary of the subject property looking east towards Weke Road.



**SUBJECT PROPERTY PHOTOGRAPHS**  
(Taken by Alan J. Conboy, MAI, SRA on May 20, 2009)



View from beach area looking west toward Hanalei Bay from the subject's western boundary.



View from the eastern boundary of the subject property looking west towards Hanalei Bay.

**EXHIBIT II**

**LEGAL PROPERTY DESCRIPTION**

**EXHIBIT "A"**

All of that certain parcel of land situate at Hanalei and Waioli, District of Hanalei, Island and County of Kauai, State of Hawaii, described as follows:

LOT 56, area 32,162 square feet, more or less, as shown on Map 10, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1160 (amended) of Ethel Kulamanu Wilcox;

Being land(s) described in Transfer Certificate of Title No. 707,429 issued to ROSS LEROY HAMILTON, husband of Cindy Lee Hamilton, as Tenant in Severalty.

Said above described parcel of land having been acquired by ROSS LEROY HAMILTON, husband of Cindy Lee Hamilton, as Tenant in Severalty, by the following Deeds:

1. WARRANTY DEED of GAYLORD H. WILCOX, Trustee under that certain unrecorded Revocable Trust Agreement of Gaylord H. Wilcox dated September 14, 1984, dated --- (acknowledged July 21, 2004 and July 22, 2004), filed as Land Court Document No. 3143549; and

2. WARRANTY DEED of HAWAII COMMUNITY FOUNDATION, a Hawaii nonprofit corporation, dated --- (acknowledged July 21, 2004 and July 22, 2004), filed as Land Court Document No. 3143550.

SUBJECT, HOWEVER, to the following:

1. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and the effect, if any, upon the area of the land described herein.

2. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the DECLARATION dated November 30, 1995, filed as Land Court Document No. 2276471.

Said Declaration was amended by instrument dated ----- (acknowledged June 4, 1996), filed as Land Court Document No. 2323290.

3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the WARRANTY DEED WITH COVENANTS RUNNING WITH THE LAND dated June 7, 2002, filed as Land Court Document No. 2825736.

Said Deed was amended by instrument dated July 21, 2004, filed as Land Court Document No. 3143548.

- 
4. Any unrecorded leases and matters arising from or affecting the same.
  5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

**EXHIBIT III**  
**LETTER OF INTENT**

December 17, 2008

Jennifer Luck  
Executive Director, Kaua'i Public Land Trust  
P.O. Box 562  
Kilauea, HI 96754

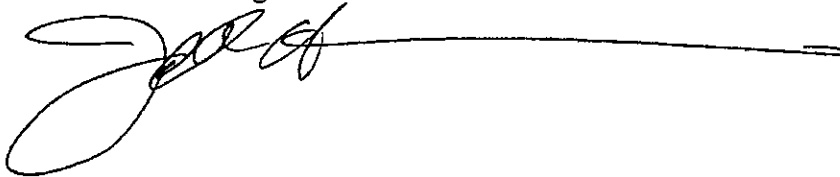
Dear Ms. Luck,

My name is John C. Hodge and I am the owner of property on Tax Map Key: 4-5-5-01-11 (better known as the Pier Lot on Hanalei Bay). By this letter I indicate my willingness to sell TMK 4-5-5-001:011, approximately a 32,000 square foot parcel, to the Kaua'i Public Land Trust for eventual transfer to the County of Kaua'i for the expansion of the County's Black Pot Park. I am willing to sell the property if KPLT and the county can structure and fund the purchase correctly and expeditiously.

The appraised value is \$4,000,000. In support of Kaua'i's park development program, I would be willing to discount my price by \$700,000, thus receiving \$3,300,000 cash and a deduction of \$700,000 for the parcel.

Sincerely,

John C. Hodge

A handwritten signature in black ink, appearing to read 'John C. Hodge', followed by a long horizontal line extending to the right.



**EXHIBIT IV**

**OCEANFRONT LAND**

**TRANSACTIONS LOCATION MAPS**

**AND PHOTOGRAPHS**

COMPARABLE LAND TRANSACTIONS LOCATION MAP  
Fourth Division, Tax Map Key 5-5-01, Parcel 11  
Hanalei, Kauai, Hawaii





**COMPARABLE PHOTOGRAPHS**  
(Taken by Alan J. Conboy, MAI, SRA on May 20, 2009)



**Transaction No. 1**  
TMK 5-8-09-49  
7322 Alealea Road





**COMPARABLE PHOTOGRAPHS**  
(Taken by Alan J. Conboy, MAI, SRA on May 20, 2009)



**Transaction No. 2**  
TMK 5-8-09-51  
7310 Alealea Road





**COMPARABLE PHOTOGRAPHS**  
(Taken by Alan J. Conboy, MAI, SRA on May 20, 2009)



**Transaction No. 3**  
TMK 5-5-01-25  
5050 Weke Road





**EXHIBIT V**

**COMPARABLE LAND TRANSACTIONS**

## **MARKET DATA OCEANFRONT LAND TRANSACTIONS**

### **Transaction Number 1**

Fourth Division, Tax Map Key	5-8-09, Parcel 49
Address/Location	7322 Alealea Road Wainiha Subdivision, Hanalei, Kauai, Hawaii
Land Area	17,451 square feet (0.401 acres)
County Zoning	R-4, Residential District
Grantor	Marilyn B. Wykoff, Trustee of the Marilyn B. Wykoff Separate Property Trust
Grantee	Jerry M. and Debra L. Kinn
Instrument	Deed dated February 22, 2008 and recorded on February 26, 2008 in Regular System Document Number 08-028250.
Sale Price	\$1,850,000
Unit Price	\$106.01 per square foot
Comments	Cash equivalent transaction for a roughly rectangular shaped vacant oceanfront flag lot accessed from Alealea Road. The site is fenced and contains a landscaped driveway. The site contains a generally level topography with approximately 75 feet of ocean frontage along a quiet stretch of white sand beach. As such, the property is subject to shoreline setbacks and determination of the seaward boundary. Public utilities are available to the site. Wastewater management is by way of septic tank. The intent of the buyer was not disclosed. The property was on the market for 103 days at a list price of \$2,190,000. The property was acquired by the seller on April 20, 2004 for a purchase price of \$1,650,000.
Source	Confirmed with Michael Schmidt of Coldwell Banker Bali Hai Realty, Inc., the listing agent.

## **Transaction Number 2**

Fourth Division, Tax Map Key	5-8-09, Parcel 51
Address/Location	7310 Alealea Road Wainiha Subdivision, Hanalei, Kauai, Hawaii
Land Area	20,028 square feet (0.460 acres)
County Zoning	R-4, Residential District
Grantor	Jeffrey S. Galloway
Grantee	Craig G. Dobbin
Instrument	Deed dated June 8, 2007 and recorded on June 19, 2007 in Regular System Document Number 07-109679.
Sale Price	\$1,900,000
Unit Price	\$94.87 per square foot
Comments	Cash transaction for a roughly rectangular shaped vacant oceanfront flag lot accessed from Alealea Road. The site contains a fairly level topography with approximately 102 feet of ocean frontage along a quiet stretch of white sand beach. As such, the property is subject to shoreline setbacks and determination of the seaward boundary. Public utilities are available to the site. Wastewater management is by way of septic tank. The intent of the buyer is to build a residence on the site. The property was on the market for approximately 355 days at a list price of \$2,199,000. The property was acquired by the seller on April 15, 2004 for a purchase price of \$1,650,000.
Source	Confirmed with Michael Schmidt of Coldwell Banker Bali Hai Realty, Inc., the listing agent.

### **Transaction Number 3**

Fourth Division, Tax Map Key	5-5-01, Parcel 25
Address/Location	5050 Weke Road Hanalei, Kauai, Hawaii
Land Area	27,171 square feet (0.624 acres)
County Zoning	Open District
Grantor	Robert B. and Annette C. McKnight, Jr., Trustees of the McKnight Family Trust
Grantee	John Charles Hodge
Instrument	Deed dated February 23, 2007 and recorded on February 28, 2007 in Land Court Document Number 3566633.
Recorded Sales Price	\$6,750,000
Adjusted Price	\$6,400,000 (Less cost of permitted house plans)
Unit Price	\$235.55 per square foot
Comments	Cash transaction for a roughly rectangular shaped vacant oceanfront lot fronting along Weke Road. The site contains a fairly level topography with approximately 90 feet of frontage along a white sand beach. A shoreline certification map has since been completed indicating a net buildable land area of 26,987 square feet. Public utilities are available to the site. Wastewater management is by way of septic tank. The sale included a complete set of permitted house plans drawn by Newport Architects valued at roughly \$350,000. Deducting the value of the house plans resulted in an entitled land value of approximately \$6,400,000 including SMA and building permits. The buyer has constructed a residence on the property as per provided architectural plans at a cost of approximately \$3,000,000. The property was on the market for approximately 132 days at a list price of \$8,000,000. The property was acquired by the seller on March 30, 2004 for a purchase price of \$7,000,000.
Source	Confirmed with John Charles Hodge, the buyer and Bill Gillette of Kauai Tropical Properties, Inc., the buyer's purchasing broker.

**EXHIBIT VI**

**PROFESSIONAL QUALIFICATIONS**

# HASTINGS, CONBOY, BRAIG & ASSOCIATES, LTD.

Real Estate Appraisers, Counselors and Economists

Pacific Guardian Center • 737 Bishop Street • Mauka Tower, Suite 1420 • Honolulu, Hawaii 96813 • Telephone (808) 524-1700

## GENERAL

Hastings, Conboy, Braig & Associates, Ltd. (HCBA) is one of the largest real estate counseling firms headquartered in the State of Hawaii. The firm has a staff of professional real estate counselors, appraisers, economists and market analysts, and investment analysts. Its staff has extensive experience analyzing and appraising South and West Pacific real estate; three members hold designations from the American Institute of Real Estate Appraisers (MAI) and from the Society of Real Estate Appraisers (SRPA). Associated companies offer development management, real estate brokerage, and investment services.

The firm assists clients with solutions to real estate problems. Its purpose is to provide sound and objective analysis directed toward reducing the financial risks inherent in the real estate decision-making process. This is accomplished by the application of intensive research and analysis to interpreting the dynamics influencing real estate markets and real estate investments, and the subsequent identification of opportunities and courses of action which can be profitably employed.

In executing its assignments, HCBA utilizes the broad experience of its highly qualified staff to identify specific problem areas associated with client programs and to structure and implement effective solutions.

Hastings, Conboy, Braig & Associates, Ltd. maintains an extensive technical library of books, monographs, journals and special statistical compilations in the fields of land use, recreation, investment analysis, urban planning and development. Surveys of market conditions for a variety of land use are maintained in our library and updated constantly. In conjunction with being headquartered in Hawaii, these library resources allow HCBA to closely monitor local real estate developments and activity. On an annual basis, HCBA receives the operating statistics from approximately 60 office buildings, and 26 shopping centers, which are compiled into the Hawaii version of the BOMA, and ICSC annual exchange reports.

Our clients include builders and developers, financial institutions and advisors, corporations, private individuals, estates, and governmental agencies at all levels.

## PROFESSIONAL SERVICES

Problem solving is a major function of HCBA. Although specific services and approaches to problems differ from case to case, they may be generally described by the following basic types of studies. Study results can be evaluated utilizing the computerized analysis program to determine financial feasibility and to calculate measurements of project performance.

**Real Estate Investment Counseling** — Determination and evaluation of effective real estate investment strategies including project selection, analysis of highest and best use, and determination of optimum development strategy based upon an iterative process of conceptualizing and evaluating alternative development schemes.

**Market Value Appraisal** — Valuations for mortgage loans, investment counseling, lease negotiations, condemnation, assessment appeal and policy decisions. Appraisals extend to a variety of properties, including income properties, existing and proposed resort and residential developments, industrial properties, high-rise office buildings and condominiums, hotels and apartments, sugar plantations and large vacant acreage ownerships.

**Negotiation/ Arbitration** — Counseling on space and ground lease rents for original negotiation or reporting and availability as arbiters when agreement between principals cannot be reached.

**Special Valuation Assignments** — Estimates of value diminution or enhancement caused by public policy decisions, analysis and quantification of cost-benefit effects, future value projections, portfolio reviews, corporate planning and disposition strategy studies, and analysis and valuation of air rights, easements and water rights.

**Resort and Recreation Projects** — Application of travel, recreation and leisure trends to determination of demand for transient and recreation

accommodations and services, including determination of sources of patronage and consumer preferences, in addition to marketing strategies for sale of recreation properties.

**Housing Marketing Studies** — Analysis of housing marketing conditions, determination of consumer housing preferences, and identification of housing market opportunity areas; including analysis of single family and multiple family projects regarding pricing, sizing and marketing strategies.

**Retail Analysis** — Determination of market area sales potential and penetration estimates for specific sites based upon locational attributes and relationship to competitive facilities, including on-site analysis to coordinate functional uses to facilitate merchandising space and maximizing overall return.

**Office Space Analysis** — Measurement of office space supply including tenancy, vacancy, rental patterns; evaluation of demand factors leading to forecasts of office space demand for whole communities, specific subareas, and individual sites; and translation of supply and demand factors into prospects for particular projects.

**Industrial Studies** — Analysis of local labor markets and economic conditions to determine industrial space requirements, including site analysis to evaluate competitive positions within the market structure.



# HASTINGS, CONBOY, BRAIG & ASSOCIATES, LTD.

## Major Clientele

### Commercial Banks and Thrift Institutions

Bancorp Finance  
Bank of America  
Bank of Hawaii  
Bank of Honolulu  
Bank of Maui  
Central Pacific Bank  
City Bank of Honolulu  
Crocker National Bank  
First Hawaiian Bank  
First Hawaiian Credit Corp.  
First National Bank - Seattle  
GECC Financial Corp.  
Honfed Bank  
Pioneer Savings Bank  
Westpac Banking

### Savings Institutions

American Savings & Loan Association  
Citizens Federal Savings & Loan  
Coast Savings & Loan  
Continental Savings & Loan  
First Federal Savings & Loan Association  
Pacific Coast Mortgage  
Provident Federal Savings  
State Savings & Loan Association  
Territorial Savings & Loan Association

### Insurance Companies and Pension Funds

American National Life Insurance Co.  
Bankers Life of Nebraska  
Equitable Life Assurance Co.  
John Hancock  
Mutual of Omaha  
Prudential Life Insurance Co.  
Teachers Insurance Co.

### Mortgage Bankers/Brokers

Brooks Harvey & Co.  
Dwyer Curlett  
Fidelity Pacific  
Nagy & Thoele Ltd.  
Sherwood & Roberts  
Sonnenblick-Goldman

### Investors and Investment Groups

American Land Company  
A.E. LePage Limited  
Duty Free Shoppers  
Hawaiian Airlines  
North American Acceptance Corp.  
Pocklington Enterprises  
Shidler & Company  
Title Insurance & Trust Co.

### Investment Bankers

E.F. Hutton & Company  
First Boston Corporation  
Kidder Peabody  
Morgan Stanley Co., Inc.  
Saloman Brothers

### Accounting Firms

Ernst & Whinney  
Grant Thornton  
Peat Marwick Main  
Touche Ross & Co.

### Trusts and Estates

American Trust Company  
Bernice Pauahi Bishop Estate  
Bishop Trust Company  
Harold K.L. Castle Estate  
Hawaiian Trust Company  
James B. Campbell Estate  
Liliuokalani Trust  
Magoon Estate  
McCandless Properties  
Moody Estate

### Builders, Developers and Industrial Firms

Alcoa  
Alexander & Baldwin  
Amelco Corp.  
Amfac, Inc.  
Asahi Development  
Aston Hotels & Resorts  
Blackfield Hawaii Corp.  
Bedford Properties  
Boise Cascade  
Campbell Industrial Park  
Castle & Cooke, Inc.  
Charles Pankow Builders  
Chevron U.S.A.  
Cooke Land Company, Inc.  
C. Brewer & Co., Ltd.  
Dillingham Land Corporation  
Dow Chemical  
Frito-Lay of Hawaii  
Gentry Pacific, Ltd.  
GO Financial Group  
Grosvenor International (Hawaii), Inc.  
Hawaiian Land Company  
Hemmeter Investment Co.  
Herbert K. Horita  
Honvest Corp.  
HTH Corporation  
James Schuler & Associates  
Jardine Matheson  
JGL Enterprises  
Kalua Kai Corporation  
Kamehameha Development Corp.  
Lewers & Cooke  
Lone Star Hawaii, Inc.  
Lusk Hawaii  
Makena Resort  
Mauna Kea Properties  
McCormack Land Co., Ltd.  
McDonald's of Hawaii  
Oceanic Properties  
Opperman-Simpson Co.  
Pacific Construction Co.  
Pacific Resources, Inc.  
Princeville Corporation  
Seatrains Lines  
Signal Properties  
The Petty Corporation  
Theo H. Davies & Company, Ltd.  
Wailea Land Corp.

### Government Agencies

City and County of Honolulu—  
Department of Transportation  
County of Hawaii  
County of Kauai  
General Services Administration (GSA)  
Hawaii Housing Authority

### Government Agencies (continued)

Marianas Public Land Corporation,  
Commonwealth of the Marianas  
Maui Redevelopment Agency  
National Park Service  
State of Hawaii—  
Department of Planning & Economic  
Development  
U.S. Department of Commerce—  
Economic Development Administration  
U.S. Department of Interior  
U.S. Department of Transportation  
U.S. Fish and Wildlife Service

### Others

Belt, Collins & Associates  
Brewer Chemical Co.  
Hawaiian Electric Co.  
Hawaiian Telephone Co.  
Holiday Inns, Inc.  
Honolulu International Airport  
MCI Telecommunications  
Northwest Airlines  
Pacific International  
Public Storage, Inc.  
Rosewood Properties, Inc.  
Safeway Stores, Inc.  
Texaco, Inc.  
The Nature Conservancy  
United Airlines  
Westin Hotels

### Foreign Corporations and Banks

Asahi  
Azabu  
Bank of Tokyo  
Chitose  
Chiyoda Hawaii  
Hachidai USA, Inc.  
Hasegawa Komuten (USA), Inc.  
Industrial Bank of Japan, Ltd.  
Itoman Total Housing  
JAL Development  
Japan Travel Bureau, Inc.  
Kumagai Gumi  
Kyo Ya Company  
Misawa Resorts  
Mitsubishi Trust & Bank Corp.  
Mitsui Trust and Bank  
Mizuno Kohgyo  
Nakano Company, Ltd.  
Nippon Meat Packers  
Nippon Shinpan  
Nissho Iwai Corp.  
Nissin Construction  
Nomura Securities  
Obayashi Gumi  
ORIX Corporation  
Otaka, Inc.  
Seibu Hawaii, Inc.  
Sports Shinko  
Sukamoto Holdings  
Sumitomo Corporation  
Taisei Corporation  
Taisei Koyu Company  
Takenaka Komuten Company  
Tayasu Shoji Company

## **PROFESSIONAL QUALIFICATIONS OF ALAN J. CONBOY, MAI, SRA**

### **BUSINESS BACKGROUND**

Executive Vice President and Treasurer, Hastings, Conboy, Braig & Associates, Ltd., Honolulu, Hawaii

Executive Vice President, Pacific Area Realty, Honolulu, Hawaii

Former Staff Appraiser and Secretary, Hambleton and Associates, Honolulu, Hawaii

Former Independent Fee Appraiser

Qualified Expert Witness, U.S. Federal Bankruptcy Court, Federal District Court, U.S. Circuit Court of Hawaii and Commonwealth Trial Court, Commonwealth of the Northern Marianas

### **EDUCATION**

B.S. (Marine Engineering) U.S. Naval Academy 1961

Various valuation, evaluation and real estate courses sponsored by the former American Institute of Real Estate Appraisers, former Society of Real Estate Appraisers, Appraisal Institute, and other real estate oriented organizations.

### **PROFESSIONAL MEMBERSHIPS**

Appraisal Institute; MAI (General) and SRA (Residential) Designations

### **LICENSING AND CERTIFICATION**

State of Hawaii - Certified General Appraiser (CGA-185) - Expiration date December 31, 2009.

### **COMMUNITY ACTIVITIES**

Kailua Chamber of Commerce (Director 1974-1975)

Kailua Jaycees (President 1974-1975)

Jaycees International (Senator)

### **ASSOCIATION MEMBERSHIPS**

Regional Representative to National Leadership and Development Committee (2005 to 2009)

President, Hawaii Chapter Appraisal Institute 2004

Regional Chair, Appraisal Institute 1997

National Director of Appraisal Institute 1991-1997

Past Governor of former Society of Real Estate Appraisers (1985 - 1990)

Member of Building Owners and Managers Association, Honolulu, Hawaii (Director 1984-1986, Past Chairman Hawaii Experience Exchange Committee;

Member International; Market Conditions Section, Management Informations System Section, and Experience Exchange Report Section)

### **TERRITORY COVERED**

Hawaii, California, Tahiti, Guam, Commonwealth of the Northern Marianas

### **TYPICAL CLIENTS**

Financial institutions, including numerous state and national banks and savings and loans; government agencies, district and federal courts; national and local industrial firms, mortgage bankers; builders and developers; investors and investment groups; and other professional organizations such as CPA firms, attorneys, insurance companies, realtors and syndicators.

### **SELECTED CLIENTS**

Alfred Shaheen; C. Brewer, Ltd.; Prudential Life Insurance; Safeway Stores; Bowery Savings Bank; Kaiser Aetna; Cabot, Cabot and Forbes; Citi-Bank, N.A.; First Hawaiian Development; Crown Properties Corp.; First Hawaiian Bank; Honolulu Federal Savings and Loan; Victoria Ward Estates; Equitable Life Assurance; RockResorts, Inc.; Amfac Financial; Holiday Inn; Boise Cascade; National Mortgage and Finance Company; R.H. Grant; Bank of California; Grosvenor International; Hemmeter Investment Company; Dillingham Land; Bank of Hawaii; Lewers and Cooke; Pacific Holiday, Inc.; Westin; Brooks Harvey; Chase Manhattan Bank; Mellon National Bank; Security Pacific Mortgage; Union Oil; Bishop Estate; Bishop Trust; James Campbell Estate; InterIsland and Resorts; Castle and Cooke; U.S. Fish and Wildlife; Counties of Kauai and Honolulu.

### **Office Buildings**

Airport Center; Davies Pacific Center; Kawaihau Plaza; Wremco; Sperry Univac; Ward Square; Marine Finance; American Security Bank; 1164 Bishop Center; 1500 Kapiolani; One Kapiolani; Honolulu Medical; Ala Moana Building; HMC; Amfac Center; James Campbell; Bishop Trust; Kotake; Pioneer Plaza; City Bank; Hawaiian Insurance; Pan Pacific Plaza; Gold Bond; Ward Center.

### **Industrial Properties**

Waiau Warehouse; Mapunapuna Warehouse; Campbell Industrial Village; Shafter Flats Warehouse; Kona Industrial Warehouse; Certified Grocers Warehouse; Sand Island Warehouse; 214 Sand Island; PMF Warehouse; 231 Sand Island; 2829 Kili Hau Street; Central Industrial Park; Frito Lay; 324 Kamani Street; Kapalama Industrial; Aloha Business Center Industrial; Bougainville Industrial Park, 220 Puuhale Road; 94-076 Leokane Street Industrial; Kalihi Industrial; Amelco Properties (Hawaii, Guam; San Francisco and Los Angeles); Rainbow Foods Warehouse.



### **Shopping Centers**

Ala Moana Shopping Center; Koko Marina; International Market Place, Waikiki; Whalers Village, Maui; Maui Farmers Market, Maui; The Market Place, Waipouli, Kauai; Ward Warehouse; Manoa Market Place; Tropicana Square Shopping Center; Menehune Shopping Center, Lihue, Kauai; Waipahu Town Center; Coconut Plantation, Kauai; Mililani Shopping Center; Waimea Center; Guam Shopping Center.

### **Commercial/Retail**

Waikiki Commercial Building; M's Coffee Shop; Young Street Commercial; Kona Market Place; Marina Business Center, Lahaina Shores Village; 1549 King Street; C&F Machinery; New Alakea Grill; State Savings (18 branch offices); Lahaina Commercial Condominium; Tropicana Square Shopping Center; Kamehameha Professional Center; Kaimuki Business Center; Hawaiian Monarch Commercial; Aus CPA Building (Lahaina).

### **Resort/Recreation**

Waipouli Resort Hotel; Holiday Inn - Waikiki Beach; Regent Tower Hotel; Sheraton Waikoloa Hotel; Royal Lahaina Hotel; Holiday Inn - Makai; Wailea Resort Development; Kaanapali Beach Hotel; Mauna Kea Beach Hotel; Mauna Kea Golf Course; Hawaiian Monarch Hotel; Pacific Beach Hotel; Kona Village Resort; Hanalei Beach and Racquet Club; Waikiki Resort Hotel; Kuilima Golf Course; Kuilima Hyatt Resort Hotel; Hyatt Regency Maui; Hyatt Regency Waikiki; Cinerama Reef Hotel; Reef Tower Hotel; Kahala Hilton Hotel; Imperial Hawaii Hotel; Travellers Inn Hotel; Kona Lagoon Hotel; Maui Lu Resort; Pioneer Inn Hotel; Heavenly Valley Hotel (Lake Tahoe, California); Olomana Golf Links; JAL West Beach; Ilikai Hotel; Whalers Inn (Pismo Beach, California); West Beach Resort Development; Hawaiian Regent Hotel; Maui Surf Hotel; Kona Surf Hotel; Kauai Resort Hotel; Poipu Beach Hotel; Waiohai Hotel; Kona Village Hotel; Waikiki Gateway Hotel; Coral Reef Hotel; Waikiki Hobron Hotel.

### **Residential Subdivision**

Waialae Iki Estates; Hawaii Loa Subdivision; Kalama Valley II Subdivision; Mariner's Ridge Subdivision; Kamiloiki Valley Subdivision; Makakilo Subdivision; Waipahu Estates; Heritage Estates; Ainawaiwai Subdivision, Hilo.

### **Apartments/Condominium**

Coty Towers Apartments; Alii Kai Apartments (Hilo); Crown Waipahu Apartments; Kailua Arms (Honolulu); Quinn Lane Apartments; Cliffview Terrace Condominium; Ilima Apartments Condominium; Ward Kinau Apartments; Pakalana Condominium; Wahiawa Condominium Feasibility; Lime Tree Apartments; Crown Thurston Condominium; Molokai Shores Condominium; Canterbury Place Condominium; Circle Jade Apartments; Peppertree Apartments; Island Colony Condominium; Pacific Monarch Condominium; Nani Wai Apartments; Wai Nani Apartments; Pacific Monarch Condominium; Kaanapali Shores (Maui); Hanamaulu Beach Villas; Maui Villas; Kihei Banyan; Kamaole Sands; Hilo Apartments; Kona By The Sea Condominium; Waimalu Apartments; Mandarin Tower; Hale Kaanapali; Maui Shores at Kaanapali; Waikiki Windsor; Hobron in Waikiki; Islander on the Beach; Kamaole Beach Terrace; Harbor Square; Kona Terrace; Waikiki Beach Tower Condominium; Hale Pono Condominium; The Cambridge; Belvedere Condominium; 1423 Emerson Conversion; 929 Ahana Street Apartments; Liliuokalani Gardens Condominium; The Whaler; Waikiki Banyan; Seashore Condominium; Tropicana West Apartments; Dowsett Point Condominium; Kinau Street Apartments.

### **Timeshare Projects**

Ilikai Resort, Waikiki; Cliffs Club at Princeville and Club Ponokai, Kauai; Holiday Country Club, Oahu; Heavenly Valley, Lake Tahoe, California; Kia Ora Moorea, Tahiti, French Polynesia; Waikiki Banyan; Kawaihao Sports Villa, Kauai; Polo Beach, Maui; Laule'a, Maui; Kona Coast Resort.

### **Land Use**

American Security Bank Land; Kawaihao Land; Hilo Land Exchange; Prudential Insurance Resort Lands; Airport Industrial Lands; Lagoon Industrial Park Land; Waikoloa (30,000 acres); Wailea Resort Development; Campbell Estate West Beach; Maui Shores Land; Kaanapali Land; Bentley Estate; U.S.P.S. Mililani Street; Ameron Properties; Marianas Public Land (Tinian); McCully Land; Baldwin Estate (Maui); Greenhaven Memorial Park; Pauahi Block Redevelopment; Campbell Estate Portfolio; Castle & Cooke Portfolio.

### **Market Studies/Consultations**

Hasegawa Komuten (Islands of Oahu, Maui, Kauai); Maui Hill Consultation; Dillingham Market Study; HTH Properties; Model Progress Consultation; Pankow Development Corporation (Maui Land); Mills/Carneghi Consultations; U.S.P.S. Lease Rents; Hawaiian Sea Village; Pauahi Block; Westbeach Resort; HTH Exchange Consultation; Hawaiian Dredging Downtown Office Study; Maui Market Study; Tecon Consultation.

## **PROFESSIONAL QUALIFICATIONS OF DON H. KONNO**

### **BUSINESS BACKGROUND**

Vice President, Hastings, Conboy, Braig & Associates, Ltd. (1984 to Present)

### **EDUCATION**

B.B.A. (Real Estate) 1979 University of Hawaii (Manoa)

Real estate studies include credit for the following:

Appraisal Institute:	Course SPP - Standards of Professional Practice
	Examination 1A-1 - Real Estate Appraisal Principles
	Examination 1A-2 - Basic Valuation Procedures
	Course 1B-A - Capitalization Theory and Techniques, Part A
	Course 1B-B - Capitalization Theory and Techniques, Part B
	Examination 2-1 - Case Studies in Real Estate Valuation
	Course 2-2 - Valuation Analysis and Report Writing

### **PROFESSIONAL LICENSING**

Certified General Appraiser, State of Hawaii

Certificate Expires December 31, 2009.

### **CONTINUING EDUCATION**

Completed the requirements of the continuing education program of the State of Hawaii Real Estate Appraisers recertification program.

### **PROFESSIONAL EXPERIENCE**

Extensive experience in counseling and appraising assignments for mortgage loans, lease negotiations, condemnation, assessment appeal, portfolio reviews, corporate planning, marketing, disposition and decision making purposes. Appraisals extend to a variety of existing and proposed properties including commercial properties, residential developments, industrial properties, shopping centers, high-rise office buildings and condominiums, apartments, golf courses, resort hotels and large vacant acreage ownerships.

## **PROFESSIONAL QUALIFICATIONS OF LIZA F. HAMADA**

### **BUSINESS BACKGROUND**

Hastings, Conboy, Braig, & Associates, Ltd., Vice-President  
Employed with Hastings, Conboy, Braig, & Associates, Ltd. since September 1998  
Budget Analyst, State of Hawaii (1997-1998)

### **EDUCATION**

Master of Arts – Political Science, 1997, University of Hawaii at Manoa  
Bachelor of Arts – Political Science, 1996, University of Hawaii at Manoa

### **LICENSING AND CERTIFICATION**

State of Hawaii – Certified General Appraiser (CGA-734) – Expiration Date December 31, 2009

### **PROFESSIONAL AFFILIATIONS**

Appraisal Institute, Associate Member

### **PROFESSIONAL EXPERIENCE**

I have extensive experience utilizing various research techniques in acquiring data and organizing information for drafting reports and other decision-making purposes. I have experience in appraisal and counseling assignments for mortgage loans, lease negotiations, corporate planning, marketing, disposition, and decision-making purposes. Appraisals extend to a variety of existing and proposed properties including commercial properties, industrial properties, residential subdivisions, apartment buildings and condominiums, and vacant land. Appraisal of ownership interests includes fee simple, leased fee, leasehold, partial interests, and sandwich positions.

### **TYPICAL CLIENTS**

Financial institutions including numerous state and national banks and savings and loans; government agencies; national and local industrial firms; mortgage bankers; builders and developers; investors and investment groups; and other professional organizations such as CPA firms, attorneys, insurance companies, realtors, and syndicators.

### **SELECTED CLIENTS**

Alexander and Baldwin, American Savings Bank, Ameritas Investment Advisors, Bank of Hawaii, Bank of the Orient, Boston Mutual Life Insurance, California Credit Union, Estate of James E. Campbell, Castle and Cooke, Central Pacific Bank, Chaney Brooks, Citibank, City Bank, City and County of Honolulu, Deutsche Bank, Don Lau Mortgage Broker, Inc., First Hawaiian Bank, GE Capital Hawaii, General Service Administration, Hawaii Community Development Authority, Hawaii National Bank, Hearthstone, Heitman Capital Management, Home Street Bank, Integra Realty, Lehman Brothers Bank, Lisa B. Johnson and Associates, Maka Investments, Meridian Mortgage Inc., Metzler North American Corporation, Monarch Properties, Mortgage Group Inc., Pacific Housing Authority, Servco Pacific, State of Hawaii, U.S. Navy

### **SELECTED STUDIES**

#### **Agricultural Properties**

DLNR Agricultural Subdivisions, Paumalu

### **Apartments/Condominiums**

230-232 Kaiulani Avenue, 1839 Kaioo Drive, Launani Valley Villages, Waikiki Landmark Land, Ridgeway Unit B, Village West, Alexander Apartments, 1112 Kinau Street, Royal Aloha Condominium, Proposed Pacific Quay, Proposed Chelsea Condominium, Proposed Courtyards at Waipouli, Island Hostel, Winston Hale, Chinatown Manor, Executive Centre, Hawaiian Monarch, Ilikai Condominium

### **Commercial Properties**

230 North Beretania Street, 2131 Kalakaua Avenue, Mendonca Building, 611 Kapahulu Avenue, 150 North King Street, Financial Plaza of Chinatown, 3555 Harding Avenue, 765 Amana Street, 915 Kekaulike Street, Servco Kapiolani, Pacific Club, 1136 12<sup>th</sup> Avenue, 401 Kamakee Street, Kapiolani Boulevard Block, 31 North King Street, 525 Kaaahi Street, 2220 King Street, 2326 Kalihi Street, 45 Ahui Street, 590 Queen Street, 923 Nuuanu Avenue, Campbell Downtown, 949 Kapahulu Avenue, Manoa Shopping Center, 1051 Keolu Drive, 32 Kainehe Street, 75-143 Hualalai Road, 75-5745 Kuakini Highway, 94-535 Kupuohi Street, Pacific Shopping Mall, Stuart Plaza, Waimanalo Shopping Center, Filipino Community Center, 94-861 Farrington Highway, 94-340 Waipahu Depot Road, 94-1021 Waipahu Street, 94-871 Farrington Highway, Kona International Market, Manoa Marketplace, Kamehameha Shopping Center, 1260 Kilauea Avenue, Liliha Medical Unit 201, North Kona Shopping Center, 523 Cummins Street, Walua Plaza, 3632 Waialae Avenue, 2044 Dillingham Boulevard, Waipio Shopping Center, 800 South King Street, Polynesian Plaza

### **Industrial Properties**

98-115 Kamehameha Highway, Halawa Industrial Park, Aiea Business Park, Department of Hawaiian Home Land Island of Hawaii Industrial Rents, 935 Dillingham Boulevard, Servco Properties, 1603 Republican Street, 2612 Waiwai Loop, 2101 Auiki Street, 1030 Mapunapuna Street, Libby Street Properties, 150 Hamakua Drive, 905 Kalaniana'ole Highway, Kohanaiki Industrial, 2160 Lauwiliwili Street, 1031 Lauia Street, 200 Waiehu Beach Road, 485 Waiale Road, 94-200 Pupuole Street, Waipahu Depot Road, 94-153 Leonui Street, 94-150 Leoleo Street, 94-095 Leonui Street, 94-125 Leokane Street, 94-409 Puko Street, Gentry Business Park, 98-736 Moanalua Loop, 99-1165 Iwaena Street, 99-1066 Iwaena Street, Kenai Industrial, 4331 Lawehana Street, 91-110 Hanua Street, 2620 Waiwai Loop, 1803 Hart Street, 2613 Waiwai Loop, 2696 Waiwai Loop

### **Residential Properties**

Ocean Pointe Subdivision, 49 Black Sand Beach Subdivision, Kehalani Development, Ewa By Gentry Sonoma and Prescott Subdivision, Launani Valley, Kahala Kua Subdivision, 1055 Kaimoku Street, Ford Island

### **Vacant Land**

Hana Ranch, Hamakua Lands, Villages of Kapolei, Villages of Leialii, Castle and Cooke Lands, Dole Lands, Department of Land and Natural Resources Lands

### **Special Use Properties**

Trinity Church, Hanalani Schools

## **EXHIBIT VII**

### **CONTRACT FOR APPRAISAL SERVICES**

TELEPHONE BID  
DIVISION OF PURCHASING  
DEPARTMENT OF FINANCE

**COUNTY OF KAUAI**  
4444 RICE STREET, ROOM 303  
**PURCHASE ORDER**

LIHUE, KAUAI, HAWAII 96766

SHIP TO:

COUNTY OF KAUAI  
FINANCE/ACCOUNTING  
4444 RICE STREET  
ROOM 280  
LIHUE, HI 96766

VENDOR 13514

HASTINGS, CONBOY, BRAIG & ASSO  
PACIFIC GUARDIAN CENTER  
737 BISHOP STREET  
MAUKA TOWER, SUITE 1420  
HONOLULU, HI 96813

PLEASE FURNISH AND DELIVER AS INSTRUCTED HEREON

**IMPORTANT**

Show This Information on Your Invoices. Also on Packages  
and in Correspondence Relative to This Order.

PURCHASE ORDER No. 166351

Date 05/07/09

## APPROPRIATION

40108015123000

PROJECT NUMBER 206002

REQUISITION NUMBER 0000174235

Deliver to Department or Organization as Shown Above

ON OR BEFORE 06/08/09  
BILL AT PRICES AGREED

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
1.00	NA	<p>'YELLOW BOOK' APPRAISALS-BLACK POT/LUCY WRIGHT PARK THE COUNTY OF KAUAI WOULD LIKE TO REQUEST A FEE AND SCHEDULE QUOTE FOR A 'YELLOW BOOK' APPRAISAL FOR THE FOLLOWING PROPERTIES: 1) THE SITE ADJACENT TO 'BLACK POT PARK' IN HANAIEI, KAUAI, HAWAII SO WE CAN EVALUATE THE PURCHASE PRICE NEGOTIATED BY THE KAUAI PUBLIC LAND TRUST. THE PURPOSE OF THE ACQUISITION OF THIS SITE IS TO EXPAND THE EXISTING PARK AND PROVIDE ADDITIONAL BEACH ACCESS FOR THE PUBLIC. PROPERTY ADDRESS: 4896 WEKE ROAD, HANAIEI, KAUAI, HAWAII 96714 TAX MAP KEY: (4) 5-5-001-011 LAND AREA: 26,145 +/- SQUARE FEET PROPERTY STATUS: VACANT LAND WITH SOME SITEWORK AND ENTITLEMENTS (SMA APPROVAL, BUILDING PERMIT, AND RECENT SHORELINE CERTIFICATION).</p>	11354.1600	11354.16

**INSTRUCTIONS TO VENDORS:**

1. Invoice in DUPLICATE must accompany each delivery of goods, or mail to "SHIP TO" Address shown above.
2. Show purchase order number, date and appropriation on all invoices.

The Director of Finance reserves the right to reject any or all of the items supplied which are not in accordance with specifications even though payment has been made therefore to obtain discounts. Costs to be borne by Vendor.

VENDOR

PURCHASING AGENT

ONE BID  
 DIVISION OF PURCHASING  
 DEPARTMENT OF FINANCE

# COUNTY OF KAUAI

4444 RICE STREET, ROOM 303

## PURCHASE ORDER

LIHUE, KAUAI, HAWAII 96766

SHIP TO:

COUNTY OF KAUAI  
 FINANCE/ACCOUNTING  
 4444 RICE STREET  
 ROOM 280  
 LIHUE, HI 96766

VENDOR 13514

HASTINGS, CONBOY, BRAIG & ASSO  
 PACIFIC GUARDIAN CENTER  
 737 BISHOP STREET  
 MAUKA TOWER, SUITE 1420  
 HONOLULU, HI 96813

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 and in Correspondence Relative to This Order.

PURCHASE ORDER No. 166351

Date 05/07/09

APPROPRIATION

40108015123000

PROJECT NUMBER 206002

REQUISITION NUMBER 0000174235

Deliver to Department or Organization as Shown Above

ON OR BEFORE

06/08/09  
BILL AT PRICES AGREED

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
		<p>CURRENT OWNER: JOHN CHARLES HODGE            RIGHTS APPRAISED: FEE SIMPLE            2) LUCY WRIGHT PARK (AKA WAIMEA            RIVER PARK) AS            WELL AS FOR LANDS TO BE ADDED TO            THE PARK AS            REPLACEMENT LANDS. THE LANDS TAKEN            FROM THE            EXISTING PARK ARE CURRENTLY BEING            UTILIZED AS A            FLOOD CONTROL LEVEE AND REVETMENT            WALL; HOWEVER            THE APPRAISAL ASSIGNMENT SHALL            ASSUME THE            'SUBMERGED LANDS' WERE AVAILABLE AS            'FAST LANDS'            PRIOR TO THE TAKING. THE            REPLACEMENT LANDS            INCLUDE APPROXIMATELY 8,921 SQUARE            FEET (PARCEL 3)            AS WELL AS 2,244 SQUARE FEET            (PORTION OF PARCEL 1,            FORMERLY A PORTION OF PARCEL 3) OF            ADJOINING LANDS            WITHIN PARCEL 1 THAT HAVE NOT            DESIGNATED FOR            'RECREATIONAL USE'. IT IS THE            INTENT OF THE            COUNTY OF KAUAI TO CONVERT THE</p>		

**INSTRUCTIONS TO VENDORS:**

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2. Show purchase order number, date and appropriation on all invoices.

The Director of Finance reserves the right to reject any or all of the items supplied which are not in accordance with specifications even though payment has been made therefore to obtain discounts. Costs to be borne by Vendor.

VENDOR

PURCHASING AGENT

DE BID  
 DIVISION OF PURCHASING  
 DEPARTMENT OF FINANCE

**COUNTY OF KAUAI**

4444 RICE STREET, ROOM 303

LIHUE, KAUAI, HAWAII 96766

**PURCHASE ORDER**

SHIP TO:

COUNTY OF KAUAI  
 FINANCE/ACCOUNTING  
 4444 RICE STREET  
 ROOM 280  
 LIHUE, HI 96766

VENDOR # 13514

HASTINGS, CONBOY, BRAIG & ASSO  
 PACIFIC GUARDIAN CENTER  
 737 BISHOP STREET  
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 HONOLULU, HI 96813

PLEASE FURNISH AND DELIVER AS INSTRUCTED HEREON

**IMPORTANT**

Show This Information on Your Invoices. Also on Packages  
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PURCHASE ORDER No. 166351

Date 05/07/09

**APPROPRIATION**

40108015123000

PROJECT NUMBER 206002

REQUISITION NUMBER 0000174235

Deliver to Department or Organization as Shown Above

ON OR BEFORE 06/08/09

BILL AT PRICES AGREED

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
		<p>REPLACEMENT LANDS            INTO RECREATIONAL USE PROVIDED            THESE LANDS ARE            EQUAL TO OR GREATER IN VALUE TO            THOSE LANDS BEING            REMOVED FOR FLOOD CONTROL PURPOSES.            PROPERTY ADDRESSES: ALA WAI ROAD            AND KAHAKAI            ROAD, WAIMEA, KAUAI, HAWAII 96796            TAX MAP KEYS: (4) 1-6-06-03 &amp;            PORTIONS OF (4)            1-6-06-01.            LAND AREAS: LANDS TAKEN            BEFORE: PARCEL 1 = 4.484 ACRES            TOTAL (2,404 AC.            FAST LANDS, 2,080 AC. SUBMERGED            LANDS);            AFTER: PARCEL 1 = 4.114 ACRES            TOTAL (2,034 AC.            FAST LANDS, 2,080 AC. SUBMERGED            LANDS)            REPLACEMENT LANDS            NEW LAND: PARCEL 3 = 8,921            SQUARE FEET            REDESIGNATED LAND: PARCEL 1            (FORMERLY A PORTION            OF PARCEL 3) = 2,244 SQUARE FEET            NEW SUBMERGED LAND: PARCEL 1            (FORMERLY A</p>		

**INSTRUCTIONS TO VENDORS:**

1. Invoice in DUPLICATE must accompany each delivery of goods, or mail to "SHIP TO" Address shown above.
2. Show purchase order number, date and appropriation on all invoices.

The Director of Finance reserves the right to reject any or all of the items supplied which are not in accordance with specifications even though payment has been made therefore to obtain discounts. Costs to be borne by Vendor.

VENDOR

PURCHASING AGENT



DEPT. OF PURCHASING  
DEPARTMENT OF FINANCE**COUNTY OF KAUAI**  
4444 RICE STREET, ROOM 303  
**PURCHASE ORDER**

LIHUE, KAUAI, HAWAII 96766

SHIP TO:

COUNTY OF KAUAI  
FINANCE/ACCOUNTING  
4444 RICE STREET  
ROOM 280  
LIHUE, HI 96766

VENDOR 13514

HASTINGS, CONBOY, BRAIG & ASSO  
PACIFIC GUARDIAN CENTER  
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and in Correspondence Relative to This Order.

PURCHASE ORDER No. 166351

Date 05/07/09

## APPROPRIATION

40108015123000

PROJECT NUMBER 206002

REQUISITION NUMBER 0000174235

Deliver to Department or Organization as Shown Above

ON OR BEFORE 06/08/09  
BILL AT PRICES AGREED

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
		PORTION OF PARCEL 3) = 710 SQUARE FEET CURRENT OWNER: COUNTY OF KAUAI/STATE OF HAWAII RIGHTS APPRAISED: FEE SIMPLE FOR A PARTIAL TAKING AND A LAND SWAP		
			SUB-TOTAL	11354.16
			TOTAL	11354.16
		REMARKS: T-BID#9928		
				0. *
			Quote Kauai GE	10,900. x 4.1666% 454.16 *
			TL \$	454.16 + 11,354.16 *

**INSTRUCTIONS TO VENDORS:**

1. Invoice in DUPLICATE must accompany each delivery of goods, or mail to "SHIP TO" Address shown above.
2. Show purchase order number, date and appropriation on all invoices.

The Director of Finance reserves the right to reject any or all of the items supplied which are not in accordance with specifications even though payment has been made therefore to obtain discounts. Costs to be borne by Vendor.

VENDOR

PURCHASING AGENT